

Reagan Sends Envoy to Manila With Blunt Warning on Rebels



Paul Laxalt

By Lou Cannon
and Bob Woodward

WASHINGTON — President Ronald Reagan has sent Senator Paul Laxalt to the Philippines with what one administration official called "an extremely blunt message of warning" to President Ferdinand E. Marcos that his regime was in danger of being overthrown by Communist insurgents.

The official said that assessments by the U.S. Central Intelligence Agency and a special national security planning group point to the potential of the Philippines becoming "this administration's Iran" unless Mr. Marcos takes immediate steps to combat the growing Communist insurgency. The U.S. military has two vital bases in the Philippines.

One official said that the warning carried by Mr. Laxalt, a Republican from Nevada, was "the bluntest presidential message ever delivered to a friend." He said that Mr. Marcos would be told that he was "screwing up the fight against the insurgency" and that his government was too preoccupied with financial gain and domestic politics and not enough with combating the increasingly powerful New People's Army.

[The White House spokesman, Larry Speakes, said Tuesday in confirming the Laxalt mission that it was "a little overblown" to suggest that the Marcos government was in danger of being overthrown, United Press International reported.]

[Mr. Speakes confirmed reports that Mr. Laxalt had gone to Manila to meet with Mr. Marcos but denied that he would deliver the bluntest presidential message ever sent to an ally.]

The president wanted a close friend and longtime associate to go and visit a close, longtime ally to discuss with him the current state of affairs there and stress the continuing close relationship, Mr. Speakes said. Asked if Mr. Laxalt was delivering a warning based on U.S. intelligence that the Marcos government was in danger of being overthrown, Mr. Speakes said: "It is not our business to say that."

Mr. Laxalt is expected to give Mr. Reagan a personal assessment on the mood and capacity of Mr. Marcos, who was elected president in 1965 and has remained in office since then. From 1972 to 1982 he ruled by martial law.

Reagan administration officials

said that the question of whether the United States should back an alternative to Mr. Marcos had been "discussed within the government" but not resolved.

The Philippines was identified in a Watch Report, the CIA quarterly, as the country with the greatest potential for instability among countries in which U.S. security interests rank high. The director of central intelligence, William J. Casey, and the national security adviser, Robert C. McFarlane, have emphasized to the president the precarious position of the Philippines, officials said.

They said that the warning of U.S. officials was underscored last week by Prime Minister Lee Kuan Yew of Singapore in a meeting with Mr. Reagan at the White House.

In an interview with The Washington Post during his visit, Mr. Lee called the Philippines "a source for anxiety." He said that "the population is in distress" and predicted that the insurgents will grow "quite a bit stronger" if economic problems are not resolved.

The White House announced the Laxalt mission on Monday after The Washington Times published an article about the trip.

Mr. Laxalt, general chairman of the Republican Party and chairman of three of Mr. Reagan's presidential campaigns, announced in August that he would not seek a third term in the Senate. He told Mr. Reagan that he would be available for sensitive trouble-shooting assignments.

Last week, Representative Dave McCurdy, an Oklahoma Democrat and member of the House Intelligence and Armed Services committees, said that the CIA and the Defense Intelligence Agency had warned that present trends in the Philippines are "really downward and very negative" and headed for "catastrophe."

At stake in the Philippines is the security of Clark Air Base and Subic Bay Naval Base, the two biggest U.S. military installations outside the United States. The Pentagon recently announced plans to invest \$1.3 billion to upgrade the bases.

The United States has lease of the bases until 1991, but Richard L. Armitage, an assistant secretary of defense, said that "we are seriously looking at alternatives" because of the instability of the Philippine government. The potential loss of these bases is of concern because of Soviet naval presence at Cam Ranh Bay in Vietnam.



NATO WANTS NEW ARMS OFFER — Secretary of State George P. Shultz briefed NATO ministers Tuesday on preparations for next month's U.S.-Soviet summit talks. The allies pressed Washington for arms initiatives that include Soviet ideas. Page 4.

Reagan Refuses Apology to Cairo For Jet Capture

By David Hoffman
Washington Post Service

BOISE, Idaho — President Ronald Reagan said Tuesday that he would "never" apologize to Egypt for the interception of a civilian airliner carrying Palestinians who hijacked the Italian ship the Achille Lauro.

Arriving here on the first stop of a Middle West trip to campaign for Senate Republicans, Mr. Reagan was asked if he was to apologize for the Egyptians for the interception.

"Never," he responded.

Mr. Reagan said that he would have no comment on the state of U.S.-Egyptian relations.

On Monday, President Bush had demanded an apology from the Egyptian government.

Larry Speakes, the White House spokesman, added, "We've said everything we need to say."

Mr. Speakes said that Mr. Reagan had laid out his "rationale and our views" on the interception in a letter to Mr. Mubarak last week and, Egypt, a close U.S. ally in the Arab world, is second only to Israel as a recipient of U.S. aid.

The capture of four Palestinian hijackers who were aboard the Boeing 737 that was forced down by U.S. fighters last week dominated Mr. Reagan's day. On arrival in Boise, he was greeted with a chant from one spectator, "Way to go with the PLO!"

Introducing Mr. Reagan later, Senator Steven D. Symms, the Republican incumbent, said that the Sun Valley chapter of the Veterans of Foreign Wars had told him to convey this message to Mr. Reagan concerning the hijackers: "Bring them to justice, give them a quick trial, and hang 'em!"

Mr. Reagan declared twice, "There is a new patriotism alive in our country." He said he was proud of the U.S. Navy fliers who intercepted the Egyptian plane last week, diverting the hijackers to Sicily.

"They didn't have more than an hour's notice," he said, "and yet they were out there over the Mediterranean with all the air traffic that's going on in the area in the dark of night they were able to pick up the target plane and persuade it to land."

Mr. Reagan put emphasis on the

word "persuade" and the crowd erupted in laughter and applause.

He did not mention U.S. frustration over Italy's release of another Palestinian, Mohammed Abbas, who was aboard the Egyptian plane. Mr. Abbas, who the United States has accused of being the mastermind of the Oct. 7 hijacking of the Achille Lauro, was allowed by Italy to leave for Yugoslavia. His current whereabouts are not known.

Western officials in Syria, meanwhile, were trying to identify a body that washed ashore to determine if it was that of Leon Klinghoffer, 69, who was killed in the hijacking.

The body of an elderly man washed ashore near the port of Tartus.

(Continued on Page 4, Col. 1)

Soviet Names Top Planner To Politburo

By Andrew Rosenthal
The Associated Press

MOSCOW — Mikhail S. Gorbachev added the new state planning chief to the Politburo on Tuesday and criticized what he called "groundless fantasies" of the past, as the Communist Party leadership met to chart the Soviet Union's course for the rest of the century.

At a full session of the party's Central Committee, the planning chief, Nikolai A. Tikhonov, was named a nonvoting member of the Politburo, the Kremlin's most powerful policymaking body. The Tass news agency reported his appointment as head of the planning commission, or Gosplan, on Monday.

Also at Tuesday's session, one of the last members of the Brezhnev guard, Nikolai A. Tikhonov, the former prime minister, was retired from the Politburo.

In a speech at the meeting, Mr. Gorbachev lashed out at what he called a "dangerous trend" in U.S. foreign policy, and said that "international developments have approached a line that cannot be passed without taking most responsible decisions."

"These decisions," he said, "cannot be put off without risking loss of control over the dangerous processes threatening mankind's very existence."

Also at the meeting, the committee approved economic plans for 1986-90 and through the year 2000, which will be submitted for formal ratification by the Supreme Soviet, the nominal parliament, at its fall session in late November or early December.

The party also approved a draft edition of its "program," a general outline of goals, ideology and policy that is to be approved at a party congress to begin Feb. 25.

Details of these documents could not be obtained, but Tass said that they would be published in the Soviet press.

Mr. Gorbachev said the new economic plans called for industrial growth over the next 15 years equal to what has been achieved since Communist power was established in 1917.

He said that in the next five years, all increases in production would be achieved by increasing labor productivity. By the year 2000, he said, the party wanted an increase of 130 percent to 150 percent over current productivity.

That would require annual increases of more than 6 percent, considerably higher than the 3.8 percent achieved in 1984.

The party program was drafted by a high-ranking committee under Mr. Gorbachev's direction. In his



Prime Minister Rajiv Gandhi of India and his British counterpart, Margaret Thatcher, met Tuesday in London to discuss ways to cooperate in the battle against terrorists.

Italian Official, in Talks With Shultz, Stands By Decision to Free Abbas

By William Drozdiak
Washington Post Service

BRUSSELS — Secretary of State George P. Shultz of the United States said Tuesday that he and Foreign Minister Giulio Andreotti of Italy had failed to reconcile a dispute over Italy's decision to release a PLO official accused of masterminding the hijack of the Italian ship the Achille Lauro.

"We disagree, we haven't composed our differences," Mr. Shultz told a press conference in Brussels. The controversy broke out after Mohammed Abbas, an ally of Yasser Arafat, the chairman of the Palestine Liberation Organization, was allowed to leave Rome for Yugoslavia over the weekend.

In Italy, meanwhile, there was no indication when discussions about the hijacking would resume in the divided Italian cabinet, Reuters reported from Rome. Defense Minister Giovanni Spadolini had denounced Mr. Abbas's release and boycotted a meeting Monday of Mr. Craxi's key cabinet officials.

Mr. Craxi's office said there was no word on when a meeting of the full cabinet would resume. It said

the prime minister was holding private political consultations.

Mr. Shultz and Mr. Andreotti met for 30 minutes Tuesday prior to a special session on arms control at the headquarters of the North Atlantic Treaty Organization.

Italian diplomats said Mr. Andreotti explained the judicial and political reasons behind his government's decision to release Mr. Abbas.

Italy has contended that there was no proof of Mr. Abbas's involvement in the hijacking of the ship and the subsequent murder of an American passenger.

Mr. Abbas was carrying an Iraqi diplomatic passport, which purportedly would have excluded him from prosecution. Moreover, the Rome government has said it could not extradite him to the United States because Italian law does not permit extradition to countries that practice capital punishment.

Mr. Andreotti also noted that Italy was reluctant to hold Mr. Abbas following the U.S. interception of an Egyptian airliner transporting him and the four hijackers because his detention would present

troubles for Egypt, a friend of both the United States and Italy.

Mr. Shultz called the Italian explanation "incomprehensible," according to an official in the Italian Foreign Ministry.

"We know the United States is displeased," the Italian spokesman added, "but we have our reasons for acting the way we did."

Mr. Shultz said he told Mr. Andreotti that Americans found it "very hard to understand how Italy could free someone who the United States government is convinced was intimately involved in the seizure of the ship."

"We believe there is evidence at hand that Abbas was part of a hijacking and part of a murder," Mr. Shultz said.

Mr. Shultz said he was "glad to know" that the Italian government would indict Mr. Abbas if it determined there was sufficient evidence to do so. He also expressed his "full confidence" that the four Palestinians now being held in Italy for carrying out the hijacking "will be tried according to the law in the strongest way."

India Wins U.S. Concessions on High Tech

By Stuart Auerbach
Washington Post Service

WASHINGTON — The Reagan administration has approved \$49 million worth of high-technology sales to India in the past month and is considering allowing the country to buy a supercomputer.

It is the first tangible sign of a closer U.S.-India relationship since the visit to Washington in June of Prime Minister Rajiv Gandhi.

The sales, involving the most sophisticated high technology ever allowed for export to India under U.S. laws, were part of several approvals over the past few months that enabled India to buy \$894 million worth of American products in the fiscal year that ended Sept. 30. This was nearly \$400 million more than it was allowed to buy a year earlier.

The new relationship has also extended to the military. During a visit in August by a high Defense Ministry official, India was given approval to buy advanced jet engines from General Electric Corp. that would allow the Gandhi government to build its own combat planes and ease its dependence on Soviet-made MIGs.

A Reagan administration official, referring to the administration's attitude toward India, said, "There has been a palpable difference in the past six months."

The administration's "pretty strong antagonistic view has done an almost 180-degree turn," the official said. "There's no question that Rajiv Gandhi's visit turned it around."

"He made a good case and all of a sudden the White House discovered India is an important country," the official continued. "It is no longer in vogue to have a hard-nosed attitude on India."

A sign of India's new status is the serious consideration that administration officials are giving to the Gandhi request to buy a supercomputer for research on the monsoons.

There are fewer than 200 supercomputers in the world outside the U.S. national security establishment. For India to get one would be a symbol of the emergence of its scientific research as well as of its new relationship with the United States. The supercomputers are capable of highly advanced and highly complex work.

Export control laws impeded the

transfer of technology as sophisticated as supercomputers to non-aligned nations such as India.

There are also concerns that India could divert the computer from weather research to military applications, including the design of nuclear weapons.

Nonetheless, said administration sources, India's request has not been denied despite strong opposition from officials in the Defense Department who fear the technology could be disclosed to the Soviet Union.

"It is no longer an absolute 'no' on supercomputers," said an administration official.

"India will get it in time," another official declared. "The point is, this purchase would never have been considered before."

Mr. Gandhi is considered likely to press India's case for more sophisticated technology when he meets President Ronald Reagan at the United Nations in New York next week.

Another issue likely to come up is India's pending request to produce 600 small, entry-level computers over an eight-year period under a \$500-million technology transfer

agreement with Control Data Corp.

That deal has been stalled because the United States wants India's assurance that it will not use the technology in its nuclear program. While the Gandhi government gave such assurances on equipment it is buying, it is reluctant to do so for computers that would be resolved before then.

A French company is offering a similar arrangement, and there is an Oct. 31 deadline for concluding the purchase from Control Data Corp. State Department sources were optimistic that the differences would be resolved before then.

The high-technology sales were approved for India under a memorandum of understanding signed in May when Commerce Secretary Malcolm Baldrige visited New Delhi.

U.S. and Indian sources said a hurdle to carrying out the agreement for the highest level of technology was cleared in August, after V.S. Arunachalam, science adviser to India's Defense Ministry, complained forcefully to the White House national security adviser,

(Continued on Page 4, Col. 5)

U.S. Financial Theorist Wins Nobel Prize

By Steve Lohr
New York Times Service

STOCKHOLM — Franco Modigliani, a 67-year-old professor at the Massachusetts Institute of Technology, won the Nobel Memorial Prize in Economic Science on Tuesday for his pioneering work in analyzing the behavior of household savers and the functioning of financial markets.

The five-member selection committee praised the practical applications of Dr. Modigliani's theoretical work. His analysis of savings, they said, has been "extremely important" in determining the effects of different types of national pension programs.

In addition, Dr. Modigliani's studies of financial markets, they said, helped to lay the foundation for the development of the entire field of corporate finance.

In the realm of the financial markets, one of Dr. Modigliani's contributions was in analyzing the effect of a company's financial

structure on a stock market's view of its value.

The conclusion of his study, done with an associate, Merton Miller, was that the market value of companies had no genuine relation to the size and structure of their debts. Instead, stock market values are determined mainly by the expected earnings of enterprises in the future.

Today, the notion that investors focus on the future and that profit performance is their paramount consideration is deemed conventional wisdom in business schools, corporate board rooms and on Wall Street.

But that was not much the case in 1958, when the Modigliani-Miller theory was presented.

"That is the true test of a brilliant theory," said Assar Lindbeck, a professor at the University of Stockholm and a member of the selection committee. "What is first thought to be wrong is later shown to be obvious."

Furthermore, the methods employed by Dr. Modigliani in the late 1950s for determining corporate values are, in refined form, used commonly now by everyone from executives plotting long-range strategy to corporate raiders growing for acquisition candidates.

A key technique in Dr. Modigliani's 1958 analysis that is routinely used in figuring the present value of expected future earnings.

Dr. Modigliani's basic research in savings was published in 1954 and has been called the life-cycle theory. Like his work in financial markets, the savings theory was built on previous research but diverged from it in significant ways. Dr. Modigliani was assisted in his savings research by Richard Brumberg, a student of his who died several years later.

The life-cycle theory explains household savings by linking it to individual behavior, economic growth and demography. The theory holds that people save for their

retirement, but only for their own old age and not for their descendants as well.

Dr. Modigliani, who was born in Rome in 1918, received a doctorate in jurisprudence from the University of Rome in 1939 and a doctorate in social science from the New School for Social Research in New York in 1944.

He came to the United States in 1939 with his wife, Serena, after fleeing the Mussolini regime, and was naturalized in 1946. He taught at Bard College, the New Jersey College for Women (now Douglass College), the New School for Social Research, the University of Illinois, Carnegie-Mellon University and Northwestern University before going to MIT in 1962.

The Economics Prize was established in 1968 as a memorial to Alfred B. Nobel, the Swede who invented dynamite, by the Swedish central bank to mark its 300th birthday. It was first awarded in 1969.



Franco Modigliani and his wife, Serena, outside their home in Belmont, Massachusetts, after learning of the award.

INSIDE

■ The political skills of Prime Minister Martens and the Belgian desire for stability seem to explain his success. Page 2.

■ A new State Department office is helping build popular support for U.S. actions in Central America. Page 2.

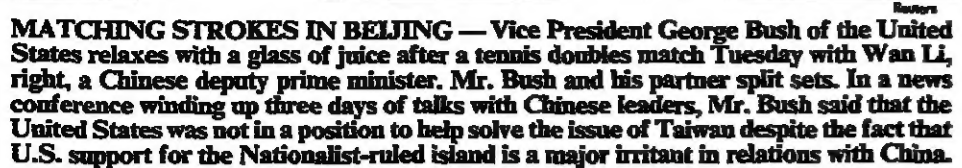
■ Plans to revise the Civil Service pension system are moving through Congress. Page 3.

ARTS/LEISURE
■ Sheridan Morley praises a production of "Les Misérables" in London. Page 13.

BUSINESS/FINANCE
■ Citicorp says earnings rose 14 percent in the third quarter from a year earlier. Page 15.

■ National Bank of Canada offered to merge with Mercantile Bank of Canada, beset with liquidity problems. Page 15.

SPECIAL REPORT
■ Paris is a creative frame for France's versatile high-fashion designers. Page 9.



By Clifford D. May
New York Times Service

GABORONE, Botswana—For more than three years, this southern African nation has been afflicted by a severe drought that has killed livestock by the hundreds of thousands, but "no one has died as a result of the drought," according to Emede M. Mabe, Botswana's coordinator of rural development.

Aid officials here agree that drought in Botswana has meant hardship but not catastrophe, in contrast with many other African countries. Several factors apparently have been responsible.

Botswana has long had a reasonably good "early-warning system,"

Even conspicuous consumption is rare. Only President Quett K. Masire drives anything so grand as a Mercedes-Benz.

Botswana has attracted more foreign aid per capita from Western countries than any other African nation. In 1982, Botswana received \$150 a person in development assistance, compared with \$6 per capita for Soviet-backed Ethiopia.

Because of the drought, though, much of Botswana's development budget has been used for emergency relief. Six out of 10 people in the country are receiving some food assistance, a costly proposition in a country the size of France with few paved roads.

On paper, at least, Botswana has made better development choices than almost as impressive as those made in relief. The economy has been growing at a substantially faster rate than the population. That is true for few other African countries.

But Botswana remains on the United Nations "least developed" list. And the vast majority of the country's peasants, who are 80 percent of the total population, have yet to see the favorable statistics translate into a markedly higher standard of living for them.

The twin pillars of the economy—diamonds and cattle, provide relatively little employment.

A total of 300 small health centers around the country conduct periodic nutritional surveys to monitor the spread and effects of hunger.

"We were not stranded by the drought because we saw it coming," Mrs. Matia said. "People have not died because there have been timely responses."

Botswana also is a nation at peace. Unlike Ethiopia, Sudan, Mozambique, Chad and Angola, which have guerrillas ambush relief trucks, the country's farmers also do not have an expensive military machine to support. Botswana's army has only 3,000 soldiers.

Botswana is one of the more open and democratic societies on the African continent. A local reporter who identified a famine area probably would not face imprisonment. Corruption is not viewed as a problem, and most aids seem to get to those for whom it is intended.

By Alan Cowell
New York Times Service

JOHANNESBURG — President Pieter W. Botha of South Africa has turned down a request for a retrial of a black poet convicted of murdering a policeman, the poet's lawyer said Tuesday.

Unless Mr. Botha commutes the death sentence imposed on Benjamin Mokoise, he will be hanged Friday in Pretoria's central prison, according to his lawyer, Priscilla Jara. The execution would take place despite international appeals for clemency, including one from the United Nations Security Council.

Mr. Mokoise's mother, Pauline, has said that he will go to the gallows singing a freedom song praising the African National Congress and its exiled leader, Oliver Tambo.

Leading white businessmen and white opposition leaders have traveled in recent weeks to Lusaka, Zambia, where the guerrilla organization has its headquarters, to meet with senior figures from the organization. The African National Congress has been banned in South Africa for 25 years.

The meetings have angered Mr. Botha, who has called them disloyal.

Mr. Mokoise, 30, was convicted in September 1982 of murdering a black policeman, Phillipus Selepe, near Pretoria in 1982.

At his trial, he initially denied involvement in the killing but changed his testimony later to say he was present when it took place and had been under pressure from the African National Congress. Mr. Mokoise also said he was a supporter of the organization.

The development came amid continued violence in nonwhite areas. In one of the worst single incidents reported in recent weeks, the police said that three men of mixed race were killed in a Cape Town suburb on Tuesday when the police opened fire after the men stoned a truck. Three other persons were wounded and 10 were arrested on charges of public violence.

Meanwhile, Mr. Botha condemned a group of white university students who said Tuesday that they planned a meeting later this month with members of the outlawed African National Congress in Zambia.

Mr. Botha also denied having acknowledged helping in the planning of the ambush in which the policeman was slain. However, he denied that he fired the shots that killed the officer.

In August, a judge granted a stay of execution for Mr. Moliso on the ground that there was new evidence showing that he was under extreme psychological pressure when the killing took place.

On Sept. 10, Miss Jona asked for a reprieve but was told by government officials on Tuesday that her request had been turned down by Mr. Botha. Technically, Mr. Botha still may offer clemency before the Friday execution.

According to official figures, 11 people were executed for criminal offenses in South Africa last year. 88 of them black, two white, 24 of mixed race and one of Indian descent.

On paper, at least, Botswana has made strides in development that are almost as impressive as those made in relief. The economy has been growing at a substantially faster rate than the population. That is true for few other African countries.

But Botswana remains on the United Nations "least developed" list. And the vast majority of the country's peasants, who are 80 percent of the total population, have yet to see the favorable statistics translate into a markedly higher standard of living for them.

The twin pillars of the economy, diamonds and cattle, provide relatively little employment.

By Joanne Omgang
Washington Post Service

WASHINGTON — The State Department's Office of Public Diplomacy for Latin America, set up in July 1983 with two persons, has developed into a 19-person office that spent \$935,000 last year to educate the public about Reagan administration policy in the region.

State Department officials say the office has made a big contribution toward building popular support for U.S. actions in Central America and as such it could prove to be the model for building support for controversial U.S. involvements in other parts of the world.

The office's budget figure does not include the salaries of eight professional staff members, who are on loan from the Defense Department, the U.S. Information Agency and the Agency for International Development as well as the State Department, according to John D. Blacken, its deputy director.

Nor does it include travel expenses for those making many of the hundreds of speeches delivered last year. These expenses often are paid by the group that requested a speaker.

The money went for clerical help, for a Wang computer system to keep track of available speakers and publications, for other travel and for the cost of printing and distributing the mountain of paper the office produces, Mr. Blacken said.

Colonel Larry Tracy of the U.S. Army, who said he has made 200 speeches in the past 20 months for the office, said the idea for the office grew out of the U.S. experience in Vietnam.

"It was a serious error in Vietnam to have no effort to build popular support for the war," Colonel Tracy said. "We could have worked better with the press to produce a more realistic view."

"Public diplomacy is basically a new concept in the way foreign policy is made," he said. "The public affairs office" is traditionally reactive to the news. There's never been an office that tries to educate the public the way we do."

He added, "I would like to see an office like this become a permanent part of the diplomatic process, one for each area of the world."

Colonel Tracy said he prefers to speak to audiences that are hostile or made up of students in order to stimulate debate and to find out what people's concerns are. As a result of such listening, he said, the office has given new emphasis to "moral issues" such as why it is proper to back military assaults by guerrillas against the leftist Sandinista government of Nicaragua.

The office's director, Otto J. Reich, 39, is a Cuban-American who was formerly assistant administrator of the Agency for International Development for Latin America.

He travels frequently to Europe and Central America to meet with officials, seeking their views and arguing in favor of the U.S. position.

Mr. Reich and Colonel Tracy took pains to deny published reports that their office selectively leaks documents to chosen reporters boosting the administration's view. But sometimes the office would provide documents to friendly organizations, which then leak the papers themselves.

One example was a frank worded secret report from the Cuban government to its international creditors, which Mr. Reich acknowledged he had provided to the Cuban-American National Foundation in May. The foundation provided the document to reporters in June, citing a European bank as its source.

The office's publications are often the product of interagency cooperation engineered by Mr. Reich's team and is edited for political effect.

A September report called "Revolution Beyond Our Borders," for example, quotes Nicaragua's interior minister, Tomás Borge Martínez, as saying in a 1981 speech: "This revolution goes beyond our borders." But it ignores his next sentence: "This does not mean we export our revolution. It is sufficient that they follow our example."

By Philip Shenon
New York Times Service

WASHINGTON — A presidential commission has reported that Asian organized crime groups threatened to become "fixtures in America's mainstream economy in much the same fashion as the Mafia has become."

Groups in Japan and Taiwan are beginning to "corrupt legitimate segments of American society" and can operate in a fashion "every bit as sophisticated as La Cosa Nostra," according to the panel. President Ronald Reagan's Commission on Organized Crime.

Federal officials have linked Asian crime groups to gambling, extortion, prostitution, and murder in the United States.

In a statement described as the preliminary stage of its two-year investigation into organized crime, the commission also reported that the Mafia would have trouble recruiting new members in the United States because of recent law-

enforcement efforts. The chairman of the commission is Judge Irving R. Kaufman of the U.S. Court of Appeals in New York.

The panel's nine-page statement was released at a briefing for members of the Italian Parliamentary Commission on the Mafia, which was created by the Italian government in 1982 and is visiting the United States as part of its work. The statement also made these points:

- The American Mafia is working closely with its Sicilian counterpart in heroin trafficking.
- The Sicilian Mafia, although expanding its efforts in the United States, has so far not become intimately involved in legitimate business or in labor unions.
- Spain has emerged as the primary point of entry for cocaine headed for Europe, and Italian crime figures are sending much of their money through Spain to hide its source.
- Prosecutors must expand their

in the United States that law-enforcement pressure placed on organized crime groups in other countries "encourages those groups to operate in the United States, the statement said.

The statement said the recent arrests of members of the Yakuza in Hawaii "who sought to exchange \$1 million dollars of heroin for handguns and rocket launchers" showed that Asian criminals were moving into the United States. The weapons were for use in a gang war, the statement said.

Bamboo Gang members arrested recently in New York and California on heroin trafficking charges might have come to the United States "as a response to pressure being placed upon this organization by Taiwanese law enforcement," the statement said.

At the briefing, James D. Harmon, the commission's executive director, said that the 26 families of the American Mafia had been badly damaged by recent prosecutions. "The Mafia is a distant memory," he said.

United States, "the Sicilian Mafia is not entrenched in legitimate business or in labor unions in this country," the statement said.

In "the money earned by the Sicilian Mafia appears to leave the United States for reinvestment in various parts of Italy, more often than not by way of transfer through Switzerland."

"The Sicilian Mafia is known to resort to the direct use of the judiciary, as well as members of the Italian Parliament when it serves their purposes," it said. "Any action here in the United States the American La Cosa Nostra would be unthinkable."

The statement did not elaborate on this point.

Emil Gilek

Imaginational Herald Tribune
BARCELONA, Feb. 14, 1986

Duarte Daughter Called Safe
The Associated Press
SAN SALVADOR — Archbishop Arturo Rivera y Damas said Monday that he has received assurances that President José Napoleón Duarte's daughter, Inés Guadalupe Duarte Durán, 35, has not been harmed by the guerrillas who kidnapped her last month, according to a church spokesman.

By Steven J. Dryden
International Herald Tribune

BRUSSELS — The success of the coalition of Prime Minister Wilfried Martens in elections Sunday by the inability of the French-speaking party to gain new seats in the chamber, also demonstrated the cautious attitude of voters toward Socialist plans to follow a

about the wisdom of austerity policies last?

At the moment, despite the economic difficulties in Western Europe, "there is no strong stimulus

day was due mainly to two factors, his political skills and the preference of Belgians for stability over new economic experiments, analysts here said.

Mr. Martens, 49, now will form his sixth government as prime minister — a feat unmatched in post-war Belgian politics. Political observers attribute this durability to his consistent policies and statesmanlike demeanor.

"He's not a charismatic leader," said an official of his Christian People's Party. "People admire him with their heads, not their hearts. In political circles, he's a man you can count on. Everybody, even in the opposition parties, knows that."

An example of his political acuity was his insistence earlier this year that Belgium would deploy NATO cruise nuclear missiles only after completing a somewhat laborious review of the arms control

After the recent failure of orthodox Socialist policies in France, Belgium was seen as a country that its country could not defy the political realities of pursuing such policies, according to Peter Ludlow, director of the Center for European Policy Studies in Brussels.

"They would be clobbered with in six months," Mr. Ludlow said, if they followed strict Socialist theory instead of Mr. Martens's austerity policies.

But Mr. Ludlow, citing what he called the "appalling problem" of persistent high unemployment in Western Europe, said that "the real question" raised by the outcome of the Belgian elections was: How long will the European consensus

countries, Mr. Ludlow said, have shown that they are not going to break the consensus on austerity policies. But he said it is unclear what patterns will be established when the voters of Italy, West Germany, Britain and France, go to the polls over the next few years.

Mr. Ludlow also noted that the Belgian election was the first important national electoral test of NATO country committed to accepting U.S. missiles in "the Gorbachev era," referring to the Soviet leader, Mikhail S. Gorbachev.

Taking Belgium as an example, Mr. Ludlow said, it appeared that Mr. Gorbachev's recent efforts to influence West European opinion had little initial effect.

Clash Among Christians Subsides in East Beirut

Restless

BEIRUT — Fighting between rival groups within Lebanon's main Christian militia died down Tuesday after overnight clashes in East Beirut, as an apparent showdown over peace talks with Druze and Moslem militias.

The fighting was the most serious among Christians for months. Two factions of the Christian Lebanese Forces' militia did battle recently over Syria's presence in Lebanon and over the division of political power within Lebanon itself between Christians and Moslems.

There was no word on the fate of the three Syrian diplomats who have been held by extremists since Sept. 30. In telephone calls Sunday and Monday, persons claiming to represent the kidnappers had threatened the imminent execution of all three.

East Beirut residents said the fighting started after backers of Elie Hobeika, the Lebanese Forces leader who advocates accommodation with the Syrians and Lebanese Moslems, seized a barracks Monday night. The militiamen loyal to Samir Geagea, Mr. Geagea's brother, the Lebanese Forces faction that

.S. Public

One example was a frankly worried secret report from the Cuban government to its international creditors, which Mr. Reich acknowledged he had provided to the Cuban-American National Foundation in May. The foundation provided the document to reporters in June, citing a European banker as its source.

The office's publications are often the product of interagency cooperation engineered by Mr. Reich's team and is edited for political effect.

A September report called "Revolution Beyond Our Borders," for example, quotes Nicaragua's interior minister, Tomás Borge Martínez, as saying in a 1981 speech: "This revolution goes beyond our borders." But it ignores his next sentence: "This does not mean we export our revolution. It is sufficient that they follow our example."

Age Group	2006	2008	2010
18-29	~85	~90	~95
30-49	~75	~80	~85
50-69	~65	~70	~75
70+	~55	~60	~65

Chad Rebel Unit Removes Goukouni

PARIS (AP) — Goukouni Oueddei has been removed as the leader of the Popular Armed Forces, one of 11 groups in a Libyan-backed Chadian rebel organization that he heads, according to a statement from France-Press.

The armed forces delivered Oueddei to French troops in Tripoli last week. It did not specify whether Mr. Goukouni had been deposed from the presidency of the umbrella organization, the Transitional Government of National Unity, or GUUNT. But it said Oueddei "no longer recognize any other man besides."

The statement also accused him of "abandoning ministers, officers and fighters" during fighting with government forces. It also berated him for meeting with a Chadnian government emissary during an unsuccessful reconciliation meeting in Addis Ababa, Ethiopia, in January.

1984. Mr. Goukouni created the Popular Armed Forces in May 1978 in Faya-Largeau, the northern town held by rebels who were trying at the time to topple President Hissène Habré. The Popular Armed Forces was made up of 11 political-military groups that signed an agreement in 1979 creating GUNT. In 1980, Mr. Goukouni took power, but in 1982, Mr. Habré's forces drove him from the Chadian capital, Ndjamena. GUNT forces control the northern half of Chad, and Mr. Habré's forces control the south.

ROME (AP)—The judges trying seven men accused of complicity in the shooting of the Pope John Paul II will go to Turkey next month despite the death of a defendant in Turkish custody, officials said Tuesday.

Bekir Celenk died Monday after suffering a heart attack at the Mamak military prison where he was being held during his trial in Turkey on charges of arms and drugs smuggling. Mr. Celenk, 51, was charged in Italy along with three other Turks and three Bulgarians with complicity in the alleged plot to kill the pope.

Italian officials in Rome said the two judges and prosecutor planned to go to Turkey in mid-November to interrogate witnesses who may have information about the alleged plot. It is common practice in Italy for courts to move to other countries to take testimony. The magistrates in the trial already have gone to West Germany and The Netherlands and plan trips to Switzerland, West Germany and Bulgaria.

MOSCOW (AP)—Garry Kasparov, the challenger, won his third chess victory Tuesday and took a one-point lead over the champion, Anatoli Karpov, in the 16th game of their world title contest.

The win gave Mr. Kasparov 8.5 points to 7.5 for Mr. Karpov in the 24-game series.

The advantage now shifts to Mr. Kasparov in the series. If the remaining eight games end in draws, which give each player a half-point, Mr. Kasparov would win the championship with 12.5 points. In the event of a tie in points, Mr. Karpov would retain his title.

Mitterrand Backs Brazil on Debt Issue

There is no durable solution to the foreign debt problem," Mr. Mitterrand said, "without a high and sustained growth of the world economy and reforms in the international monetary system."

Hungary Bars Rights Group Meeting

The meeting was to coincide with the Cultural Forum, involving the 35 countries who signed the Helsinki Final Act, which opened Tuesday. The six-week Cultural Forum is an outgrowth of the 1975 Final Act, which defines goals on issues of security, disarmament, economic cooperation and human rights in Europe.

Irish Public Workers Call First Strike

DUBLIN (Reuters) — Ireland was hit Tuesday by its first strike of public service workers. Schools and courts and most airports were closed and virtually no business was conducted at government offices.

Unions estimated that 150,000 people had stayed away from their jobs during the 24-hour strike, and warned that there would be further stoppages if the government refused to meet their demands. The police, who are forbidden by law from striking, were working.

The unions want the government to end a freeze on pay for public workers; to reappoint a public service arbitrator, a post recently dissolved by the government of Prime Minister Garret FitzGerald; and to honor arbitration and Labor Court pay awards. The government has refused to pay the 10-percent pay increase awarded by the court to teachers.

The Polish government said Tuesday that 78.96 percent of Poland's 26 million eligible voters cast ballots in parliamentary elections on Sunday, but Lech Walsie, leader of the banned Solidarity labor union, said the turnout was closer to 60 percent. (AP)

A local wind that collapsed Monday and is blocking all traffic through the Great Lakes Seaway will take several weeks to repair, William A. O'Neil, president of the seaway, said Tuesday. The seaway allows large ships to travel between the Great Lakes and the Atlantic Ocean. (AP)

Idris Adhi Walik, 59, has been elected president of the island of Zanzibar, winning 61.5 percent of the vote in an election in which he was unopposed, the electoral commission announced Tuesday in Dar es Salaam, Tanzania. He succeeds Ali Hassan Mwinyi, who has been chosen to replace Julius Nyerere as president of Tanzania. (Reuters)

Libertians voted Tuesday for the first time since the military took power in 1980, with four parties officially permitted to contest for the presidency, the Senate and the House of Representatives. (AP)

Soviet Pianist, Dies at 68

the cellist Mstislav Rostropovich, all of whom, like Mr. Gliel, became famous concert and recording artists in the West.

Mr. Gliel's U.S. debut was made in Philadelphia, as soloist in Tchaikovsky's Concerto in B flat minor with Eugene Ormandy and the Philadelphia Orchestra. When the program was repeated the next night in New York, Howard Taubman, who had heard him four years

rank of the world's pianists. As Mr. Taubman wrote in 1935: "His tone is as solid as his physique with its peasant sturdiness. . . . His fingers have boundless agility and control. He can make the piano sing and he can make it to thunder; it bends to his will."

His daughter, Elena, also is a well-known pianist and father and daughter sometimes performed and recorded together.

earlier in Florence, wrote in the New York Times: "Last night he swept away reservations about his capacities as a poet. To his brilliance and temperament, he has added warmth and delicacy."

He was born into a musical family in Odessa, on the Black Sea, and studied at the conservatories there and in Moscow. In 1933, he won first prize in the All-Russia Music Competition, followed by a second

He was a stocky man with stubby fingers and a shock of sandy hair that fell over his face as he played, but he had a powerful technique that kept him in the front

*A permanent choice
of the very best
in temporary
multilingual office staff.*



**AVENUE LOUISE
INTERIM**


207, Avenue Louise - 1050 Brussels
Tel 02 540.08.91



**HOTEL METROPOLE
GENEVE**

A PRIVILEGED PLACE
The only Grand Hotel located in
the heart of Geneva's business
and shopping center

**34 Quai Général Guisan
1211 Geneva 3
Tel.: 022/211.13.44
Telex: 421.550**

 **UNIVERSITY DEGREE**
For Life, Academic & Work Experience
Degrees for people who want to be more effective
and secure in their professional careers.

Earn a BACHELOR'S, MASTER'S or DOCTORATE Degree
by fulfilling your life and work experience. College equivalent
credits and degree for which you qualify. No college
courses, examinations or business entrance requirements.
No matter what your background, you can receive a
graduate or postgraduate degree. No resume required.
Our graduates are recognized for their achievements in business
and industry. We will award you the completing your degree
requirements without having to attend any classes or attend any
and time.

Send detailed resume on days life and academic experience to:
Director, Postgraduate Studies
University of Southern California
600 N. Serrano Ave., Los Angeles, California 90009 - Dept. 25 - U.S.A.

Mr. Weiss must come to attend the national symposium where he performed his duties as a witness. When the U.S. debut in 1955, he was said to have been the first important Soviet musician to go to the United States to perform concerts as Sergei Prokofiev in 1921.

His first U.S. tour was the one of a Soviet-American dance company, representing the Soviet Union in subsequent seasons, other outstanding Soviet performers of the same generation, among them the violinists David Oistrakh and the pianist, Sviatoslav Richter.

He was born into a musical family in Odessa, on the Black Sea, and studied at the conservatories there and in Moscow. In 1933 he won first prize in the All-Russia Music Competition, followed by a second prize in a competition in Vienna in 1935. He topped the list in the Brussels competition in 1938.

He was a stocky man with stubbly fingers and a shock of sandy hair that fell over his face as he played, but he had a powerful technique that kept him in the front

ern Ireland's much reviled no-jurors courts, Monday in London.

Hans Gribshof, 78, an internationally acclaimed aviation photographer, Sunday after a long illness, in Memphis, Tennessee.

Major General Edwin Bliss Wheeler of the U.S. Marine Corps, 77, commanding general of the 1st Marine Division in Vietnam in the late 1960s, Monday of a heart attack in Dallas.

Ricky Wilson, 32, guitarist of the rock group B-52's, Saturday of cancer in New York.

Reagan Refuses to Grant an Apology To Egypt Over Plane Interception

(Continued from Page 1)

tus and was brought to Damascus for an autopsy and identification. Mr. Speakes said that he could not confirm that the body was that of Mr. Klinghoffer.

The spokesman added that the United States also has "made known to all governments in the region our views on the situation and that we will continue to be keenly interested in the apprehension" of Mr. Abbas.

15 Dead in U.S. Copter Crash

United Press International

JACKSONVILLE, North Carolina — A U.S. Marine helicopter on a combat exercise crashed on take-off Tuesday from the USS Guadalcanal, an assault helicopter ship, and sank into the Atlantic. An official said that 15 of the 19 men aboard drowned.

Attorney General Edwin Meese 3d and other administration officials said Monday that the United States would continue efforts to apprehend Mr. Abbas.

"There is no safe haven as far as we're concerned," the attorney general said. "We'll pursue Mr. Abbas as we would any other fugitive."

Although Reagan administration officials have maintained that they have transcripts of radio conversations during the hijacking that implicate Mr. Abbas, one official said Monday that such documents would not be released. But administration officials have said the information has been provided to the Italians and the Yugoslavs as part of the U.S. case for his arrest and detention.

■ **Three Palestinians Accused**
The authorities said Tuesday

that they had issued arrest warrants for three more persons in the hijacking of the Achille Lauro, in addition to the four Palestinians in custody. Reuters reported from Rome.

Of the three, one has been detained in Genoa, where the ship's cruise began. The authorities would not say if the other two also were detained already.

In custody was a man identified as Kalaf Mohammed Zainab, who was detained on Sept. 28 for holding two false passports. Magistrates said he had been charged in the hijacking.

An official said that the other two were a man who bought the ship tickets for the hijackers and another who is believed to have been part of the commando but who disembarked at Alexandria, Egypt, before the vessel was seized.

The four hijackers who were aboard the Egyptian plane have been moved from Sicily to a maximum-security prison at Spoleto.

■ 2 Seized With Explosives

Two Arabs were arrested in Rome on Tuesday with bombs which one of them said were intended to be used against Americans and Israelis. Reuters reported, quoting the police.

One was arrested at the Rome airport and the other at the central train terminal. Both had bombs in their luggage.

Reagan's Rating With Blacks Is Up

New York Times Service

WASHINGTON — President Ronald Reagan's approval rating among blacks has increased significantly since he took office, although most still disapprove of the way he is handling his job, according to polls conducted by The New York Times and CBS News.

This year 28 percent of American blacks said they approved of Mr. Reagan's performance, up from 10 percent in 1982, during a recession and cuts in social programs. A large majority of blacks, 60 percent, still disapprove of Mr. Reagan's job performance, but this is down from a high of 76 percent disapproval in 1982.

Some analysts attribute the rise in Mr. Reagan's standing among blacks in general to a better economy, even though unemployment among blacks is about 15 percent, twice the national average.



SOCIALISTS CONFER — Leopold Gratz, Austria's foreign minister and a Socialist Party leader, and Willy Brandt of West Germany, president of Socialist International, began a two-day meeting of Socialist leaders Tuesday in Vienna. In his address, Mr. Brandt assailed conservative positions on rights violations in South Africa.

Planning Chief Named to Politburo

(Continued from Page 1)

speech, the general secretary made it clear that the party would drop many of the promises included in the 1961 edition, drafted under Nikita S. Khrushchev.

Khrushchev's party program vowed to "sweep imperialism away and bury it."

It listed a series of specific economic goals that would be reached in the following two decades, and said that communism would be achieved by 1980. A Communist society, it said, would free housing and free transportation and eliminate hard physical labor.

Under Leonid I. Brezhnev, the party recognized that Communism had not been achieved but became mired in a debate over whether the Soviet Union was in a state of "real socialism" or "developed socialism."

"In enriching and developing the content of the program," Mr. Gorbachev said, "we have at the same time critically reassessed those of its formulations which have not stood the test of time."

He said the program "should be an exact formulation of the real process, explicitly spell out the main views and political objectives,

be free from excessive details, groundless fantasies and bookish subtleties."

The party also approved a series of amendments to the party's organizational rules, but they were not published Tuesday.

The elevation of Mr. Talyzin as a nonvoting Politburo member was an honor that had not been accorded his predecessor as head of Gosplan, Nikolai K. Baibakov.

It reflected Mr. Talyzin's stature in the Gorbachev administration and suggested a more influential role for the planning agency.

With his broad technical and bureaucratic experience, Mr. Talyzin is typical of the men who have won promotion under Mr. Gorbachev.

A former communications minister, he gained diplomatic, economic and foreign policy experience as Soviet representative to the East-bloc economic alliance, Comecon.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

Mr. Tikhonov's retirement at 80 completed a process that began Sept. 27 when he stepped down as prime minister.

He was a top member of Brezhnev's leadership.

NATO Asks U.S. to Offer A New Arms Initiative Embracing Soviet Ideas

By William Drozdiak

Washington Post Service

BRUSSELS — The North Atlantic allies urged the United States on Tuesday to come up with arms control initiatives that would include positive elements from the Soviet leadership's latest proposals. The allies want a new initiative to enhance prospects for a successful meeting next month between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev, and early progress in the Geneva negotiations on nuclear and space weapons.

Secretary of State George P. Shultz, consulting here with 10 of NATO's 16 foreign ministers, also picked up strong backing from the allies for a "narrow interpretation" of the 1972 Anti-Ballistic Missile Treaty in the way the United States pursues its research program on space weapons.

Mr. Shultz said the allies responded with "universal happiness" when he informed them that Mr. Reagan upheld a restrictive approach to compliance with the accord last week, even though some U.S. policy-makers had argued that a much broader range of testing and development is permissible under the treaty.

Earlier suggestions by Robert C. McFarlane, the national security adviser, that the administration might relax its adherence to the accord provisions evoked widespread anxiety among the European allies.

They feared that the treaty, which is seen as one of the last foundations of arms control, would soon be stripped of all meaning because of cumulative Soviet and U.S. violations.

Mr. Shultz, who flew here from San Francisco, where he delivered a speech Monday reaffirming the stricter line on the treaty, said, "We have designed our research program to fall within the narrow definition of ABM treaty provisions and we intend to keep that way."

He said the State Department's legal adviser, Abraham D. Sofaer, who accompanied him to the NATO meeting, had studied the treaty carefully and found "lots of room for varying interpretations."

But any decision to develop and deploy space weapons in response to successful research findings, Mr. Shultz emphasized, would only follow "extensive consultations with the allies and negotiation with the Soviet Union."

Tuesday's meeting was convened at the request of Belgium and the Netherlands, who were annoyed at being left out of Mr. Reagan's meeting next week in New York with the leaders of six industrialized democracies.

The foreign ministers from Britain and France did not attend the meeting here Tuesday, but they will meet other foreign ministers in New York next week.

European diplomats said that while they were reassured by Mr. Shultz's comments, the administration's long-term policy still remained unclear.

They said the NATO meeting served a useful purpose in provid-

ing Mr. Shultz, who is perceived as sympathetic to allied interests, with "ammunition" to use against Pentagon hard-liners who doubt the worth of arms control.

Several European ministers stressed during the four-hour session that the United States should assume an active posture before the summit meeting by seeking new ground for compromise in arms control and not permit the Soviet Union to gain the upper hand in public opinion as the superpower most committed to presenting new ideas to break the stalemate in Geneva.

Mr. Shultz said he shared the allies' qualified optimism, although he and other senior administration officials have warned about the "fine print" lying beneath the basic Soviet offer to cut nuclear arsenals in half.

"There are things that are interesting and we will consider them," Mr. Shultz said. "Perhaps we can say that the negotiations are ready to get going."

Several ministers, led by Hans-Dietrich Genscher of West Germany and Leo Tindemans of Belgium, urged the United States to incorporate the most promising aspects of the new Soviet position in an offer that would infuse what the Belgians called "a new imaginative dynamic" in the Geneva talks.

The Europeans seem most encouraged by a new Soviet willingness to push ahead with a separate accord on medium-range-missiles in Europe if progress in that forum can come faster than in the other two negotiating areas.

Previously, the Soviet Union has insisted that only an accord linking all three categories was possible. The United States and its allies argued that this view held the arms talks hostage to the most intractable problems. The latest Soviet offer now appears to embrace the Western position.

Geneva Vote Won By Anti-UN Party

The Associated Press

GENEVA — A nationalist party called Vigilance, which opposes Swiss membership in the United Nations and favors radical curbs on immigration, has emerged as the chief winner in the three-day Geneva cantonal elections ending Sunday.

In final results announced Monday, Vigilance increased its seats in the 100-member cantonal parliament from 7 to 19, and now ranks with the Liberals as one of the two largest parliamentary parties. Geneva is the seat of a United Nations office and several UN agencies.

Vigilance and its allies in German-speaking Switzerland, National Action, say that UN membership would compromise the country's neutral status. Switzerland is a member of the nonpolitical specialized UN agencies, and next year a national referendum will be held to decide whether it should become a full UN member.

Always the superb choice



Beverly Wilshire Hotel
Wilshire Boulevard at Rodeo Drive, Beverly Hills, Calif. 90212
(213) 275-4282 Telex 698-230

The Leading Hotels of the World
London (01) 583-3050
Frankfurt (069) 29 04 71
Hong Kong (5) 23 11 42

Regent Hotels
London (01) 409-0814
Frankfurt (069) 28 75 24
Hong Kong (3) 68 23 33



Bon Voyage.

At Europcar, we've got something unique for those on the corporate fast track.

It's called The Worldwide Welcome.

A new company credo dedicated to making life easier for you.

You'll get the "Welcome" in nearly 3000 locations in 110 countries.

And it includes a lot of things you may not find with other car rental companies.

Like our exclusive Super Service credit card (or other major credit card) which lets you pick up a car even faster.

And the convenience of being able to book a car anywhere in the world through a central reservation system in each country.

Or our full range of the latest models.

How many companies can offer you everything from sports cars to chauffeur-driven limousines? We can.

It means getting a car that won't leave you in the lurch. Ours are maintained by our own trained specialists.

The Worldwide Welcome means big things and little things. Like special rates tailored to your needs.

Or the music cassettes provided to entertain you while you drive. Or the free road maps to help you find the way.

The next time you need to rent a car, call us. Or have your travel agent do so.

And turn your business trip into a "bon voyage".

europcar
rent a car

In the U.S., Latin America and the Pacific, it's National Car Rental. In Canada it's Tilden.

INTERNATIONAL BUSINESS OPPORTUNITIES

WE BELIEVE CONTAINERS BELONG IN YOUR INVESTMENT PORTFOLIO

PRIMARY PERIOD 5 YEARS
INCREASE YOUR WORKING CAPITAL 100%
GUARANTEED

SECONDARY PERIOD 10 YEARS
RECEIVE EARNINGS OF 280% ON CASH INVESTED
PROJECTED

TERMINATION PERIOD 15TH YEAR
RETURN OF CASH INVESTED 100%
GUARANTEED

* Containers are high earning, fully insured, tangible assets with a 15 year working life.
* The Transco Group is the world's leader in producing the highest annual rental return with the lowest commercial risk.
* 2000 serious investors have already purchased containers worth over US\$35 million which are managed by the Transco Group.

* These serious investors enjoy a secure US DOLLAR income from participation in international trade.
* DO NOT MISS THIS EXCEPTIONAL OPPORTUNITY TO ADD CONTAINERS TO YOUR INVESTMENT PORTFOLIO.

* For full details, without obligation, fill in our coupon today.

TRANS CONTAINER MARKETING AG
Gellerstrasse 18, CH-4052 Basel, Switzerland.
Tel: (061) 42.23.77
Telex: 64446 taco ch
MINIMUM US\$12,000 INVESTMENT

ETM

To: Trans Container Marketing AG
Gellerstrasse 18, CH-4052 Basel, Switzerland.
Please send me full details without obligation.

NAME: _____
ADDRESS: _____

TELEPHONE: _____ OFFICE: _____

HOME: _____

BT 02



TEL. 01/2198111

The fully integrated business services in the center of

Zürich - Switzerland

offers Offices/Conference Rooms, Secretarial/Translation, compl. Telecom-Systems, Company Formation/Fiduciary Transactions

EXECUTIVE BUSINESS SERVICES AG
Unterstrasse 23 (Lampenstr.) CH-8001 Zürich

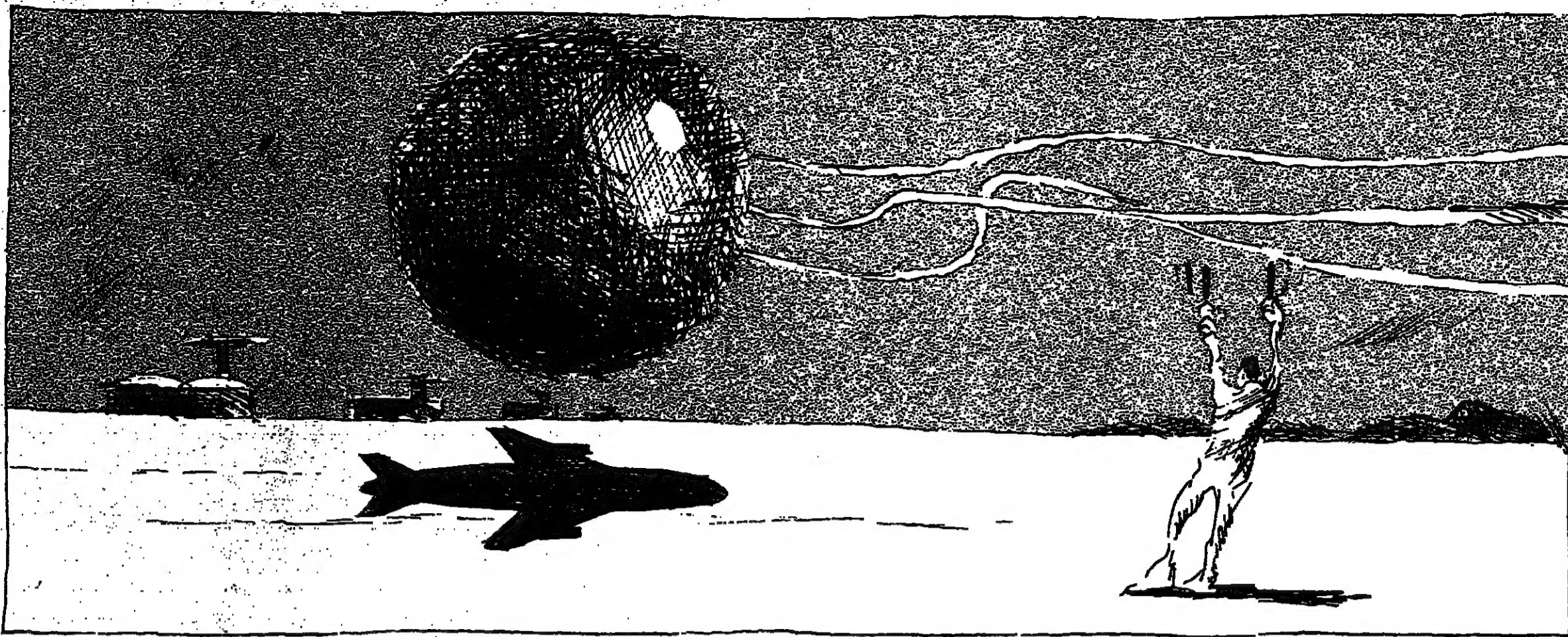
FOREIGN CURRENCY OPTIONS: NEW PROFITABLE OPPORTUNITIES

Foreign Currency Options... a monthly subscription only newsletter shows you how you can use Foreign Currency Options to increase your profits... For those who properly understand the mechanics involved risk-free average... Apply now for free sample copy to: 3000... London, W1P 7TN, England.

ESTEVE BROTHERS and CO.
F.S.C. LTD.
Kingston, Jamaica

International Merchants of U.S. Raw Cotton

For price quotations, please call 1-(214)-748.8855.



Wie pouvons wir ensemble ein aeroplane fabbricato? No problem!

If you're trying to get an international project off the ground, IBM has just the vehicle for you.

It's called International Business Services (IBS) and it makes light work of coordinating business operations from country to country, continent to continent.

Take the building of a new aircraft for example. With aerospace partners in France, Germany, Italy and the U.K. pooling resources and ideas to develop and market the new plane.

IBS can help them put the pieces together.

Linking different data processing operations.

Providing easy access to common information, speeding development and implementation of critical applications.

And offering comprehensive on-site support wherever or whenever it might be needed.

Whatever the industry, whatever the international project, IBS computers, software and personnel can quickly help you keep overall investment and development under control.

With country talking clearly to country.

All organised for you, with valuable savings in the cost, time and complexity of installing and setting up a system of your own.

And with IBS, language is no barrier.

A flexible software system – Application System – allows business professionals to analyse, present and share the same information with their partners, whilst working in their respective national languages.

So project control can be managed on a centralised basis with each partner contributing data and profiting from the results.

Budgeting can be controlled on an overall, rather than piecemeal basis, using the same database and proven project control techniques.

Thus, for example, ensuring that plans for a wing sub-assembly developed in the U.K. get to the fuselage factory in Germany on time.

Replacing a process previously dependant on paperwork – a commodity which doesn't always travel well.

With IBS computer expertise you can develop distribution management applications designed to check invoices, establish shipping

dates, assess volumes of materials, draw up the right export documentation – in short, track the whole process from factory to factory, country to country.

So, whether you're working in aerospace or agriculture, operating in Europe, the U.S., Japan – or any other world business centre – you'll find International Business Services can help your business fly.

Send us the coupon or phone Information Network Services direct.

Because once everyone in your operation is speaking a common language, the sky's the limit.

IBM

For further details call:

Austria	(0222) 2610 ext. 2276/2736
Belgium	(02) 720-5180
Denmark	(02) 88 55 11 ext. 3776
Finland	(90) 525-93-01
France	(1) 776-4343 ext. 6751
Germany	(0711) 669-5557
Italy	(02) 6762 ext. 4053
Netherlands	(079) 25 31 20
Norway	(02) 11 00 70 ext. 318/319
Sweden	(08) 793-4367
Switzerland	(01) 62 70 70 ext. 6803
Spain	(01) 431-4000 ext. 4547
United Kingdom	(01) 747-0747

Or write to:

Information Network Services – Europe, Avenue Louise 523,
1050 Brussels, Belgium.

Name: _____
Company: _____
Position: _____
Address: _____
Tel.: _____

IBS offerings are provided by
Information Network Services from IBM.

INSIGHTS

Sandinists Juggle Economic Priorities To Overcome U.S. Political Pressure

By Joanne Omang
Washington Post Service

MANAGUA — Among the many annoying, tiresome shortages here, last spring's scarcity of light bulbs was far and away the most demoralizing. Since the Sandinists took power in 1979, most of Nicaragua's working poor always had had at least one naked bulb to prove their dirt-floor cardboard shacks were a step above the abject poverty of their grandparents.

But now when that one bulb blew there were no replacements, and they were left to brood in the dark over all their other problems, in a darkened city already deprived of street lights by a government economy move.

Just as the unorganized resentment over everything else wrong here seemed about to jell for once on the light-bulb issue, a cargo ship arrived from the Soviet Union loaded with nothing but light bulbs. They were smaller and dimmer than the regular bulbs, but they worked fine and everybody relaxed.

The Sandinists had managed once again to loosen the economic and political noose with which the Reagan administration hopes to strangle the revolution.

U.S. policy here is based on the theory that military pressure from the U.S.-backed "contra" guerrillas will unseat the government, either with an ordinary military victory or by creating so much economic and social disruption that the Sandinists will be forced by their own people "to cry uncle," as President Ronald Reagan put it.

The Sandinists now let visitors know they are prepared to run the Nicaraguan economy into the ground to defy Mr. Reagan's threat. Last this seem to be mere rhetoric, they also are willing to demonstrate that they are minutely aware of the precise level of popular resentment, and that they have evolved a Rubik's Cube defense system of controls, force, blind eyes, bluff and jingoism to deal with it.

This approach, they say, will keep their war machine operating, their people eating and their public services more or less in operation until the Yankees either give up and go away, negotiate terms recognizing the Sandinist revolution, or launch a full-scale invasion. There is no alternative, they say.

"Our people understand very well that Ronald Reagan's policy is to strangle us economically until they rise up," said Defense Minister Humberto Ortega Saavedra. "But this has only strengthened their will to resist the United States. Suppose we do have to paralyze the country, stop the schools, live under siege conditions. Even then we will not surrender."

Economic recovery, he said, is last on the Sandinist priority list, after an end to the fighting and a solution to the political turmoil that the war has stirred up.

The government's severest internal critics believe it, even as they deplore the results. "The Sandinists will never make any deal with the

United States," said Dr. Emilio Alvarez Montalvan, an ophthalmologist and a leader of the largest of three splinters of the Conservative Party. "And the contras cannot possibly overthrow them. We hope that they will slowly moderate themselves until they reach a point of tolerance by the United States, but we are not optimistic."

Virgilio Godoy, the acerbic head of the Liberal Independent Party, the permanent minority in the rubber-stamp Legislative Assembly, describes Nicaragua's internal situation as "a world of two levels: the visible and formal, where the rules are very clear and admirable; and the invisible world, which here is the real world and where the rules do not operate."

The economy, he said, is a prime example. In theory, the government determines wage levels and controls prices, distribution and imports; although there are shortages everyone suffers equally. In practice, companies pay secret "bonuses," which are illegal, in a losing effort to retain good workers; prices are more than doubling every year despite the controls. Many services are exchanged on a barter basis; product distribution is handled chiefly by the black market, and imports are brought in almost completely by individuals smuggling on a small scale while officials turn their backs.

"We call it a semi-official black market," said a diplomatic analyst, "because they make almost no effort to enforce the rules."

In fact, the Sandinists bend their own rules so that they, too, can play. There are at least three legal exchange rates for dollars, depending on where one is and what one is buying. Anyone with dollars may shop at the local "diplomatic store" for French wines, North American groceries and appliances at prices reasonable by U.S. standards but astronomical in local terms.

For example, foreigners are required to exchange \$60 on arrival at the Managua airport at a rate of 28 cordobas to \$1. The 1,500-cordoba taxi ride to town therefore costs about \$54. But at the hotel, \$1 will bring 630 cordobas, perfectly legal, so that the 1,500-cordoba ride back to the airport costs only \$2.38. On the black market, the exchange rate is about 800 to a dollar.

The Sandinists know that the black market and the barter system are safety valves, supplying needs the government cannot meet. With exports at rock bottom because of the war (the Sandinist view) or because of structural mismanagement (their critics' view), the black market is just about the only source of foreign exchange with which to buy imports — and every machine, bolt, spare part, battery, drop of fuel and piece of paper in Nicaragua is imported.

The leaders acknowledge that this surreal process has made de facto criminals out of their entire population, but they view it characteristically as temporary, part of the disruption that precedes the revolutionary dawn. "This is not just a problem in Nicaragua but in all of Latin America," President Daniel Ortega Saavedra said. He attributed the phenomenon to crisis

worldwide, "the fault of the capitalist economic system."

While the world crisis works itself through, however, economic news reports in the controlled media are carefully optimistic, and anything else is censored from the sole opposition newspaper, La Prensa. Word of new price controls on melons, a strike attempt at a furniture factory, the chronic gasoline shortage and a virus attack on the crucial cotton crop were all cut from recent editions. The Sandinists say that such stories would spark panic buying, and the controlled press minimizes the impact of the virus and praises the quality of the melons.

In the real world, however, anyone can drop by La Prensa's office and read the censored stories on the bulletin board, for that is another safety valve. It lends some validity to the Sandinists' assertion that dissent is not stifled.

In fact, dissent is carefully noted. The pervasive Sandinist Defense Committees, the party organization headquarters on every city block and every rural neighborhood, have always kept track of everyone's jobs, health status and private lives, allocating privileges and goodies while monitoring the decibel level of public grumbling and spotting potential resistance leaders. Resentment over economic conditions and the petty tyrannies of committee leaders, however, has risen recently to the point where the committees are now being reorganized "to be more responsive to the community," said Interior Minister Tomas Borge Martinez.

He acknowledged that the committees had become "small centers of personal power" run in large part by former backers of the deposed dictator Anastasio Somoza who rushed to join the new organizations after the revolution "as a logical refuge to avoid punishment and repudiation" by the new leaders. The reorganization, he said, will consist mainly of "eliminating these bad people" from their jobs. The predictable result will be a rise in the committees' efficiency from the Sandinist point of view.

It is a tacit recognition that tensions are mounting, but it is by no means the democratization that the Reagan administration had predicted would follow rising public discontent. As Mr. Godoy put it: "People are permitted to complain, but they can't go any further than that. People worry that if they do anything, the army will take their son, or their business will be closed or some import will be confiscated."

"Whenever a small, organized resistance arises, something happens. We cannot get people out of their houses to a rally because we cannot give them a guarantee that nothing will happen afterward."

By all these mechanisms, the Sandinists so far have avoided making any of the changes the Reagan administration predicted they would have to make as a result of rising pressure from the contras. In fact, U.S. administration officials have noted in relation to other countries that Marxist governments are remarkably unresponsive to domestic complaint, so their argument that the Sandinists can be forced to change their stripes has been curious from the outset.



A homeless man sleeping in a Paris Metro station. More than 40,000 people seek shelter in the French capital each night.

Mounting Tide of Homelessness in Europe Dismays Those Who Hoped to Abolish It

By Jo Thomas
New York Times Service

LONDON — Margaret lives with her husband and six children in a London bed-and-breakfast hotel, not the quaint sort with chintz in the sitting room, but damp and bug-infested, with the dining room a block away.

The family was moved out of its apartment in an East London housing project last year because the building was contaminated with asbestos and was to be demolished. Margaret and her husband, who asked that their last name not be used for fear of being evicted, were told to expect to live in temporary quarters for a few weeks.

"You wait, and wait, and wait," said Margaret, who now has been homeless for 10 months. "If you only knew how long you'd be here, you wouldn't mind." The family of eight is in two hotel rooms that do not connect.

In Britain, private groups that work with the homeless estimate that there are 140,000 people like Margaret, living in hostels and hotels. In Paris, private groups say at least 10,000 people are living on the streets. In Italy, the government says that one young couple in five have no alternative but to live with relatives, even after the birth of their first child.

They and thousands of others are part of a trend that is alarming governments across Europe, a rising tide of homelessness in nations that over the past two generations, according to Peter D. Sutherland, commissioner of social affairs for the European Communities Commission, "had begun to believe that we were in sight of abolishing for good the scourges of poverty and homelessness."

Mr. Sutherland met recently in Cork, Ireland, with delegates from the European Community countries in an effort to determine how serious the problem is and what can be done about it.

ALTHOUGH statistics are incomplete, representatives from groups that help the homeless throughout Europe reported a dramatic increase in the number of evictions, a growing percentage of homeless who have been thrown out of their homes, and a trend toward seeing younger and younger people living on the streets.

The United Nations, which has reported that 100 million people worldwide have no shelter whatsoever, already has raised the alarm over the difficulties in the Third World, where cities are growing at an explosive rate but slums are growing twice as fast. A city such as São Paulo, which had a population of 2.5 million in 1950, can expect a population of 25.8 million in the year 2000.

But in the relatively wealthy nations of Europe, "the homeless are the segment that has no statistics," said Thomas Spöck, who works with a German organization for the homeless. "Everything else is counted — every cow and chicken and piece of butter."

The conference, which voted to recommend a

European clearinghouse for information, nonetheless collected some statistics that have concerned both government and private social welfare organizations.

In Britain, the number of homeowners more than six months behind on mortgage payments increased to 40,000 in 1984 from 8,000 in 1979. In the first quarter of this year, said Nick Rayford of a housing aid center in London, 10 percent of the homeless had defaulted on their home mortgages, more than twice as many as a few years ago, and so were evicted.

In Italy, according to government officials at

'Homelessness is a blot on the European landscape. It is a disgrace to what we exalt as European civilization. It is an indictment of government, administration and people who do not care.'

Brendan Ryan
Irish senator

the conference, census figures showed that evictions from rental units increased by 28 percent from 1983 to 1984.

In France, where five million to six million people live on incomes of less than \$6 a day, unsupplemented by welfare benefits, the number of vagrants seeking lodgings for the night in Paris rose to 40,493 in 1982 from 20,000 in 1971.

In Denmark, where 20,000 people are estimated to be homeless, the number who are less than 30 years old has increased dramatically since 1980. In Paris, according to Patrick Decker, who has studied the situation there, the average age of homeless people has been dropping by six months a year. For men, he said, it is now 42.

"No European country has as great a problem of homelessness as the United States does," said Robert M. Hayes, a New York lawyer who founded the Coalition for the Homeless. "But none of these governments are willing to preside silently over the mass homelessness we now have in American cities."

Mr. Hayes, who attended the conference as an observer, added, "It's clear there's a much firmer commitment" by West European governments "to stop the tide of newly homeless people."

The number of homeless people in the United States is in dispute, Mr. Hayes said, with esti-

mates ranging from 500,000 to three million. The Department of Housing and Urban Development recently said the figure was no more than 350,000. An advocacy group for the homeless in New York City said Saturday that 9,000 single adults would seek shelter from the city next winter.

The Reverend Peter McVerry, a Jesuit priest who works with the Center for Faith and Justice in Ireland, said that most of the homeless are unemployed or unskilled, or may have lost their homes in family disputes, but are otherwise ordinary people, not alcoholics or mentally ill.

"It is not they who have the problem," Father McVerry said. "The problem lies in the housing market, deficiencies in general housing policies, in social security policies, and the social injustice which creates poverty."

THOSE who are worst off, he said, "tend to create the stereotyped image of the homeless in the public's mind." But the public must realize that "their plight is not solely traceable to individual failings or inadequacy," but also to the "inability of the support systems in society to deal adequately with their problems at an early stage."

In Ireland, 3,000 people are homeless and 20,000 others live in trailers or horse-drawn vans.

The delegates recommended the abolition of vagrancy laws and said the lack of an address should not deprive a person of legal rights, including the right to vote.

They asserted that people have an unequivocal right to shelter, with no time limits if they cannot find permanent accommodations, and they urged that shelters for the homeless be small in size, not vast human warehouses.

"Homelessness is a blot on the European landscape," Brendan Ryan, a member of the Irish Senate and sponsor of legislation to protect the homeless in Ireland, said at the meeting. "It is a disgrace to what we exalt as European civilization. It is an indictment of government, administration and people who do not care."

In London on Saturday, Margaret stood on the sidewalk and watched the parked cars while she waited her turn at a basement kitchen with one stove shared by seven families. There is no refrigerator for the children's milk, no place to wash clothes, and no place in the local school for her 8-year-old, who has been out of school since the family moved 10 months ago. The family's rooms, full of beds, are immaculately clean, but the walls are damp, the paper and the plaster peeling.

"Christmas is coming," Margaret said. "My brother, who is a painter, offered to paint and wallpaper the children's room, but the landlord said, 'No, we don't allow that.'"

She watched as her toddler, a boy, picked a stick from a large refuse bin full of boards and nails. "They run wild," she sighed. "Wild, wild, out of control." A vagrant walked by, muttering to himself.

"The man, he's mad!" shouted one of the children. "We're all mad living here," said Margaret.

Airborne Smugglers Thrive in Nigeria

By Blaine Harden
Washington Post Service

Lagos — The bearded baby-clothes smuggler slipped iced palm wine in a steamy back-alley saloon here and talked shop. "What I feel is better to fly with than anything else is baby wear," said the businessman, who travels from the Nigerian capital to Taiwan six times a year.

The businessman, who is 35, explained the advantages of baby wear for a Nigerian trader: A profitable haul could be stuffed in two suitcases. Customs inspectors at the Lagos airport usually do not demand duty or bribes to clear booties and bibs. Most importantly, Nigerians will pay a 500-percent to 600-percent markup for baby clothes.

The smuggler, who preferred not to be quoted by name, is one of thousands of Nigerian traders who have made 1985 a banner year for airlines serving Lagos. Passenger traffic is up 35 percent over 1984.

In a paradox that points to the entrepreneurial acumen of Nigerians and to warped incentives built into their economy, air travel is booming even as the oil-dependent economy is in crisis. Many American and European banks recently have stopped doing business with Nigeria because the central bank is three months behind in releasing hard currency to pay for imports.

The new president, Major General Ibrahim Babangida, has declared a 15-month "economic emergency" designed, in part, to staunch the hemorrhage of scarce foreign exchange for luxury imports. This was in addition to a law that limited the amount of money a Nigerian could take out of the country.

Still, flights in and out of Lagos continue to be crisscrossed with frequent-flying Nigerians, like the baby-clothes trader, who travel with an inordinate amount and exotic variety of baggage.

Women from the Lagos market board London-bound planes wearing loose-fitting traditional gowns. Airline attendants on the Lagos-to-London flight report that these women often travel with dried fish tied to their thighs and upper arms and return with similarly concealed bundles of frozen fish sticks, dried milk and, of course, baby clothes.

In August, scores of London-bound traders showed up at the Lagos airport carrying cages containing one or two gray parrots. Until the government clamped down, parrots purchased for about \$60 in northern villages were being hawked for about \$300 in London.

Airline officials say that Nigerian traders returning to Lagos check in with baggage including car tires and engines, video and stereo equipment, clothing, cosmetics, processed foods and spare parts.

At London's Gatwick Airport last summer, according to a steward for British Caledonian Airlines, a Lagos-bound Nigerian tried to bring an auto windshield aboard as hand luggage.

About 1 percent of passengers leaving Lagos have excess baggage, while more than 30 percent of returning passengers pay excess-baggage fees "without complaint," said an airline executive.

Ishrat Husain, the World Bank representative in Lagos, argues that the Nigerian government's economic policies sustain the perverse incentives that, even as the country's economy unravels, keep Nigerian smugglers airborne.

In attempting to force austerity on Nigeria, government import restrictions have created acute shortages and, therefore, acute demand

for manufactured goods such as windshields and baby clothes.

At the same time, government price controls on airline tickets and a grossly overvalued currency that trades on the black market at one-quarter of its official rate make it extraordinarily cheap to fly in and out of Nigeria. A round-trip Lagos-to-London excursion fare on Pan Am sells for 725 naira, which can be purchased on the black market here for about \$182.

"The government's overregulation of the economy is creating these opportunities for private gain at the expense of the society in general," said Mr. Husain. The traders "are not paying taxes," he said, adding: "There is no way local industry can compete with these imported goods. Consumers must pay outrageous prices. I call it private affluence, public squalor."

FOR most of the 1970s, when Nigeria was awash with billions of dollars in oil revenue, Nigeria made little attempt to grow the food or manufacture the goods needed for nearly 100 million people. During that period Nigeria simply bought what the country thought it needed. There was plenty of money to slake a growing taste for luxury imports.

The oil glut of the 1980s changed all that. In the past five years, Nigeria's foreign exchange earnings have been cut in half. Inflation is running at about 40 percent, interest on foreign debts eats up nearly half of export earnings, and unemployment is rising.

But through it all, many Nigerians, particularly those who live in Lagos, have maintained their taste for consumer goods. That is why the bearded smuggler can cover his air fare to Taiwan, pay expenses and make what he estimates as a \$600 profit with just two suitcases of baby clothes.

The Heritage

Steatite seals — Indus Valley Civilization, 3,000 B.C.

At Pakistan International, you'll discover that our accomplishments can be traced to the beginning of civilization.



PIA
Pakistan International
Great people to fly with

FLYING TO: ABU DHABI, AMMAN, AMSTERDAM, ATHENS, BAGHDAD, BAHRAIN, BANGKOK, BEIJING, BOMBAY, CAIRO, COLOMBO, COPENHAGEN, DAMASCUS, DELHI, DHAHRAN, DHAKA, DOHA, DUBAI, FRANKFURT, ISTANBUL, JEDDAH, KATHMANDU, KUALA LUMPUR, KUWAIT, LONDON, MANILA, MOSCOW, MUSCAT, NAIROBI, NEW YORK, PARIS, RIYADH, ROME, SANA'A, SINGAPORE, TEHRAN, TOKYO, TRIPOLI and 29 destinations within Pakistan.

LA/PAN-85

GALERIES LAFAYETTE

"The Department Store
Capital of Fashion"

today introduces

Giorgio
BEVERLY HILLS®

The Extraordinary
Perfume

*Exclusivity for France at:
Galeries Lafayette
Paris*

FRENCH FASHION

A SPECIAL REPORT

WEDNESDAY, OCTOBER 16, 1985

Page 9



Ungaro sketches for the collections, above, and Valentino's, right.

Designing From Inside The Skin

By George Gudauskas

PARIS — Agnès B may be a grandmother at 43, but she has the ability to see through a child's eyes. "I go inside the skin of people. I get in," the fashion designer said recently. "When I design for men, I think, if I were a man, what would I like to wear? If I were four years old, what would I like to wear?"

"That's what I try to do. It's an exercise I've always done."

So Agnès B explained the international success of her ready-to-wear fashions, which she has been designing since 1976, when she set up in a converted butcher's shop in the then-unfashionable Les Halles district of Paris.

Moderately priced at 400 to 500 francs (about \$30 to \$60) a piece, her simple, uncluttered fashions have earned her 100 million francs so far this year. Her income in 1984 totaled 70 million francs.

Agnès B's regular customers are said to include the actresses Catherine Deneuve, Isabelle Adjani and Jessica Lange; the singer-actors, David Bowie and Madonna; Philippe Starck, the architect, and Paloma Picasso.

Although Agnès B is but one of many designers in this city of fashion, she is a force in the French economy, so much so that President François Mitterrand decorated her this year with the Ordre National du Mérite for her service to French fashion, and to the French foreign trade balance.

The importance of French fashion in the country's economy can be seen in figures released by the Fédération Française de la Couture du Prêt à Porter des Couturiers et des Créateurs de Mode.

In 1984, sales in France and for export totaled 2.2 billion francs, with women's ready-to-wear clothing accounting for 34.5 percent, the highest percentage, of the total. Exports rose to 1.4 billion francs last year, according to the federation.

Sales made by affiliates and licensed representatives throughout the world totaled 15 billion francs, with women's ready-to-wear capturing 35 percent of that figure.

For the entire group of haute couture, couturiers' ready-to-wear and designers' ready-to-wear, the federation said, net sales in France and for export were 3.24 billion francs, and 17.5 billion francs for affiliates and representatives around the world.

Agnès B is taking advantage of this rising spending in fashion. She is expanding.

She has three boutiques for women in Paris, two in New York, one each in Lyons, Aix-en-Provence, Montpellier and Amsterdam, and 10 in Japan.

Soon, boutiques for women will appear in London and Milan.

New Agnès B lines are also emerging to clothe everybody from infants and children to men and women, and those wanting something a little bit nicer, a little more expensive.



Stacks of Agnès B tee-shirts.



Jean-Paul Gaultier suggests red cross-country ski boots as an accessory for his skinny suit and ruffy petticoat.

This is all quite a leap for the daughter and granddaughter of conservative Versailles barristers who once trained at the Ecole des Beaux-Arts to become a museum curator.

But in running an international fashion business, Agnès B has the help of her second husband, Jean-René de Fleury, who takes care of the financial aspects of the operation, in addition to managing the family's farming estate. Fleury is assisted by Etienne, one of Agnès B's twin sons of her first marriage.

Explaining her fashion philosophy, Agnès B — her company uses the surname initial of her first husband, Christian Bourgois, a publisher — said, "I prefer clothes to fashion."

"I like undated clothes, not clothes designed for today. I like clothes you can keep for years. I like very classic clothes, in fact, quite classic."

This thinking reflects her early days in the business, when she worked for people like Dorothée Bis and Pierre d'Alby and found she disliked the idea of planned obsolescence in fashion: trimmings and details added to designs to date each season's offering.

"I would design a jacket for Pierre d'Alby, and they would say: 'I need pockets, lining, cuffs, wider or narrower lapels; it's not a real jacket.' What they meant was that it should have trimmings, details, to make last season's model outdated," she told an interviewer recently.

Agnès B works in classic materials such as cotton, wool and silk, too, but uses some nylon and rayon.

She never does what other designers are doing, because, as she puts it, "I never go and see what they are doing."

She knows, however, what they are doing.

Of her nearest but more expensive competitor, Kenzo, she said, "He makes funny clothes." Of the new look that Karl Lagerfeld designed for Chanel, it could be less showy, more refined, she told The Sunday Times of London.

"It's a bit obvious," she said.

She is at a loss to explain why she has no competitors at her price level, since considerable profit seems to be offered there.

"I don't know, I don't know," she shrugged, "because they sell very few clothes expensively. I sell

(Continued on Next Page)



A short, swiny suit for the Chanel woman and below, body-conscious dressing from Claude Montana.



Jean-Luc Paut

Search for New Thrills Puts Life Into Paris

By Letitia G. Jett

PARIS — Beyond the more obvious qualities that come to mind when thinking about this city, one thing above all must be said: Paris is never, ever boring. Parisians are often bored, or at least they pretend they are, which makes one theorize that that could be the very reason that their city is so lively. They are always trying to stir up some new controversy, competition or calamity to keep from getting bogged down in the quotidian.

While others are drawn to the city because of its irresistible mélange of history, beauty and opportuni-

ty, the Parisians occupy themselves with the business of keeping themselves amused with such activities as spectacular art exhibits — the one that has captured the imagination for the moment is the collection of more than 200 paintings, 158 sculptures and thousands of drawings and engravings by Picasso; extravagant social events; discovering new shops and restaurants and, for the next few days, many will be preoccupied with the latest news on the fashion front as France's finest offer their ideas on what women will want to wear next spring. On that subject the mood is ebullient.

As one fashion observer noted: "La mode est la mode encore," which basically says it all. A renewed sense of excitement and confidence surrounds the spring/summer ready-to-wear collections, and even the clothes tend to reflect this spirit.

Color, body-conscious fabrics, ultra-feminine designs, more dresses than in seasons past and plenty of skin is what the top designers have on their minds for next year. Dreary colors and outsized camouflage layers are passé: the body is in again. After all, women aren't working out to work wonders on their bodies to conceal them in folds of formless fabric.

Good news, though, from Karl Lagerfeld who offers an encouraging note for those whose proportions tend more toward the Rubenesque than the reed. He says: "Hips are in. Shoulders are not important anymore. The big, bulky look is over. With huge shoulders women were competing with men, they don't need to prove anything anymore, not like that."

He added, "By concentrating on the hips and waist we are putting attention on one area where men can never compete; men don't have hips." (Of course untold numbers of women wish they didn't either, but that is another story.)

All in all an upbeat spirit permeates the city. Practically no one talks about socialism these days and when they do, it is usually at some marvelous champagne-drenched dinner party where everyone is carefully coiffed, costumed and accessorized to the hilt. The only comments seem to be that it is almost over and that President François Mitterrand's policies are getting more like Giscard d'Estaing's every day. Meanwhile Raymond Barre, a presidential hopeful, sits quietly in the background watching and waiting while everyone talks about him — even such an unexpected supporter as popular song writer and singer Serge Lama.

Besides, the French have never been ones to stay home and dwell on the negative aspects of life when they can go out to some excellent little bistro or some newly in night spot and argue about the miseries of existence over good food and an excellent wine.

Lately, the most popular spots to see and be seen include the rejuvenated nightclub Les Bains Douches, which is now supposed to be called Les Bains, but everyone forgets; Pastel's and Magnetic Terrace for good food and piano bars (the Terrace is also a hot spot for brunch); Balajo on Monday nights for fast dancing and the rest of the week for ballroom dancing — naturally the crowds reflect the atmosphere. There is also a nightclub, Atmosphere, which draws a young "cool gang" crowd.

A new name in trendy land is Café de la Jatte, where on a good night the food is fine and so is the crowd. Two popular old standbys that always deliver are

(Continued on Page 11)



Jean-Luc Paut



Above, Karl Lagerfeld criss-crosses a belt over his pale gray suit to emphasize the hips. Right, Yves Saint Laurent favors a neat, no-nonsense approach to spring.

Jean-Luc Paut

Bangles, Beads Banish Black

By Jean Rafferty

PARIS — Parisians have shrugged off those low-profile little black dresses and are dressing up in a fabulous array of sequined and lavishly embroidered gowns. After all, there is only so much one can do with a little black dress, while the possibilities of embroidery are unlimited, as demonstrated in the recent couture collections and at glittering balls in the Château de Chantilly and the Opéra.

Embroidery has long been an indispensable ingredient of the couture evening dress. Now the couturiers and their exclusive clientele cannot get enough of bangles and bugle beads.

"Embroideries have never been as rich and sumptuous as they are now," said Jean-Guy Vermont, one of the handful of little known *brodeurs* who work closely with the big-name designers. "People seem to need to really let go and dress up to the nines."

Swinging jet beads that move as the wearer walks were embroidered on lace for Saint Laurent and serve as accents for a sequined Dior ensemble. Lamé at Givenchy glittered with large motifs of colored stones in the form of flowers. Large stones again provided the focus to a theme in gold on a Dior skirt that resembled abstract art. For Hanae Mori, Vermont was inspired by 18th-century ironwork to create a gold-on-gold pattern shimmering with large faux sapphires.

But although these master *brodeurs* often play a crucial part in the creative process of a collection, when the results are acclaimed on the runway, it is the designer alone who takes a bow.

"We are the violets of haute couture," said François Lesage, whose firm dates from 1860, when it was founded by Napoleon III's embroiderer, Michonnet. "They can smell our perfume, but they don't know where to look for the flower." Lesage's sequined and beaded chandeliers, Boule comodes and grandfather clocks for Karl Lagerfeld's "Furniture" collection dresses were the talking point of the designer ready-to-wear shows for the fall.

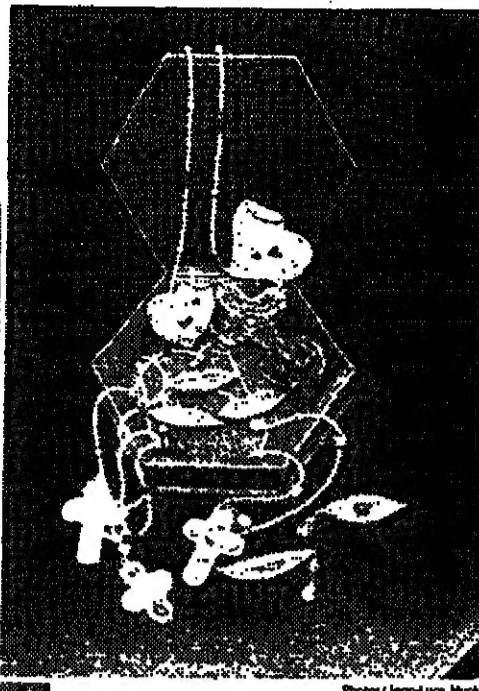
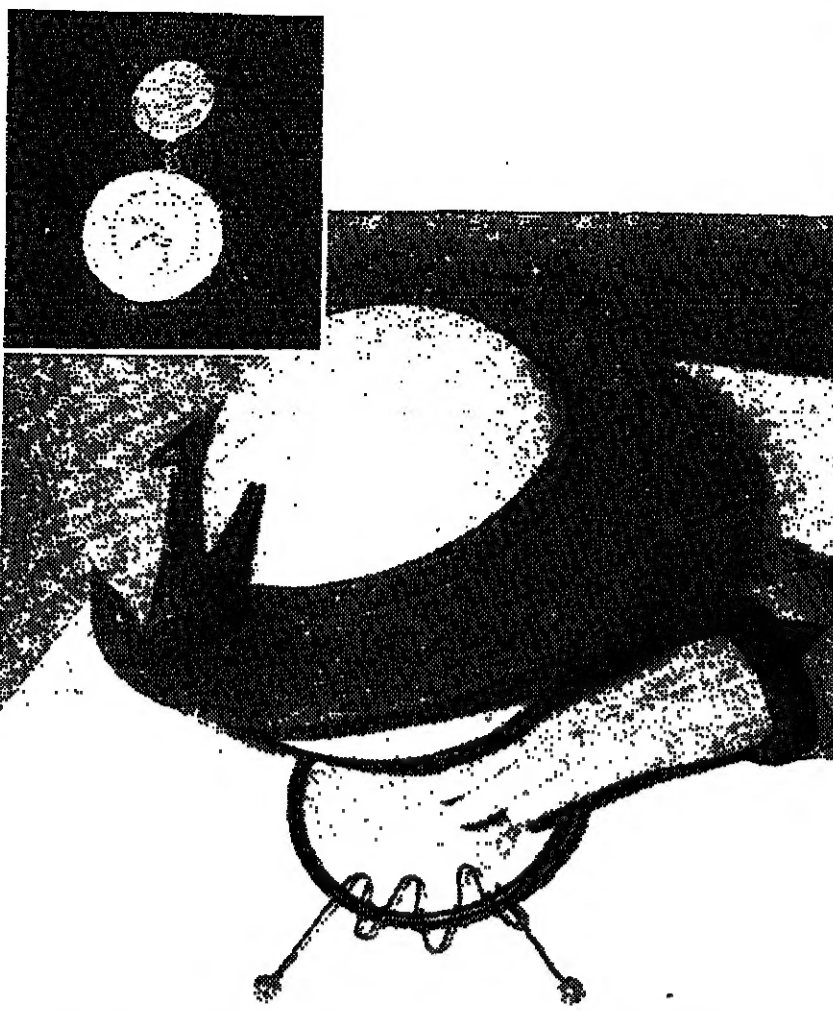
Lesage, who claims to do 99 percent of Chanel embroidery and 75 percent of Saint Laurent's, did camcans on a marbled background and baroque sculptures of big colored stones and velvet appliques for

(Continued on Page 12)



Lesage beading for a sumptuous Renaissance look.

A SPECIAL REPORT ON FRENCH FASHION



Here are some of Paris' best selling bijoux fantaisie. Upper left, Scooter's "gold" coin drop earrings. Left, amusing accessories in felt and enameled metal by Christain Astugueville at Comptoir de Kit. Above, Billy Boy's whimsical designs sold at Jansen and right more "gold" coin interpretations from Scooter.

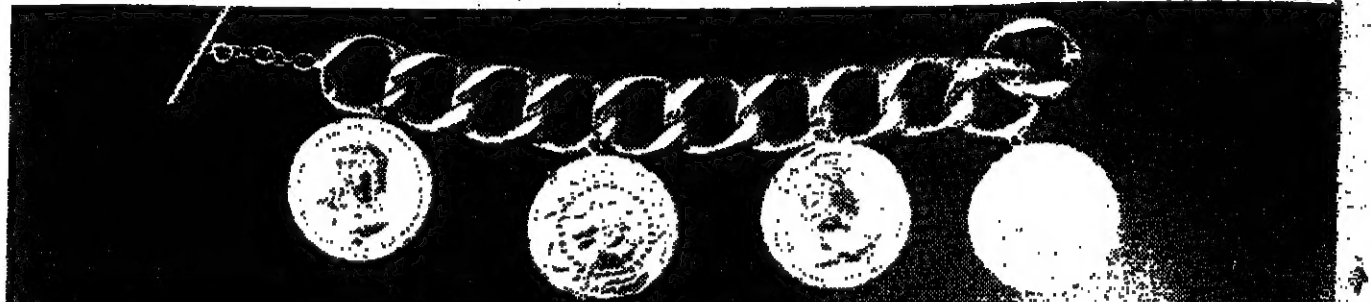


Jewelry: Now the Frankly Fake

PARIS — As Coco Chanel, always a woman who appreciated the important distinction between getting dressed and getting noticed, so aptly demonstrated, masses of baubles and beads piled on with insouciant abandon makes all the difference in the world. Given the choice, heaven knows no woman with any sense would rather have a drawer full of *les bijoux fantaisie* than the real stuff; but in the world of frivolous fashion, frankly fake jewels are the most amusing little extras one can find, especially now.

Not at all shy or understated, the best of the best are mostly big, always colorful, usually artfully designed, and the really good news is that they are often funny.

Billy Boy's papier-mâché brooch, for example, in the shape of, well-glossed crimson lips



GRÈS

welcomes you to its new boutique
for evening ready-to-wear

at 1 rue de la Paix - first floor - Paris 2^e - Tel. (1) 261 58 15

Opened since October 10

HANAË MORI

BOUTIQUES

17/19 avenue Montaigne - Paris-8^e
62, faubourg Saint-Honoré - Paris-8^e

Designing From Inside the Skin

(Continued From Previous Page)

many clothes, not too expensively. It's not their idea for clothes. I think clothes exist when they are worn, when people wear them."

In her shops can be found teenagers and grandmothers alike, checking out her undated designs, or maybe just looking for that inexpensive "fun" piece.

"For instance," she pointed to a rack in her workshop overlooking the noisy Rue de Rivoli. "I made zebra pants. They are 400 francs. You can buy them, and you can wear them when you like it."

"If you pay 2,000 francs, it's crazy. But if you pay 400 francs," she said, "it's all right."

Proud of seeing her fashions worn on the streets of Paris and elsewhere, Agnès B said, "I enjoy it. I think it's nice. I like it."

"I like to see the way people wear them, very different, one from the other. But they're simple pieces, and they can express themselves with my clothes."

Her clothing is sold only in her own shops, staffed by her own people. Part of their job is to make customers feel comfortable and not

pressured into buying. Her own shops are preferred as sales outlets "because they are quite fragile, my clothes."

"If you mix them with funny clothes, they disappear. So I prefer they be in the right place, quite simple, very often with white tiles, movie posters and flowers. They are better like that."

"I don't want to sell to anybody, anywhere," she said.

She does sell, however, to a department store in Japan and to three stores in New York, including Bloomingdale's, where a weaker

dollar against the franc is an advantage to shoppers, "and that's good for American people," she said.

She also said a new line, Agnès B Special, is in the works. For it, clothes will be done in very fine material and in classic shapes, such as a "pure customer jacket that you can keep for years."

Asked whether a more expensive line would move her toward haute couture and the elite, she said it would not. "But I would like to have that sort of line," she added. "I think I would enjoy doing it."

Agnès B has no plans to join the ready-to-wear federation, with its 980 firms and 70,000 workers, most of them women.

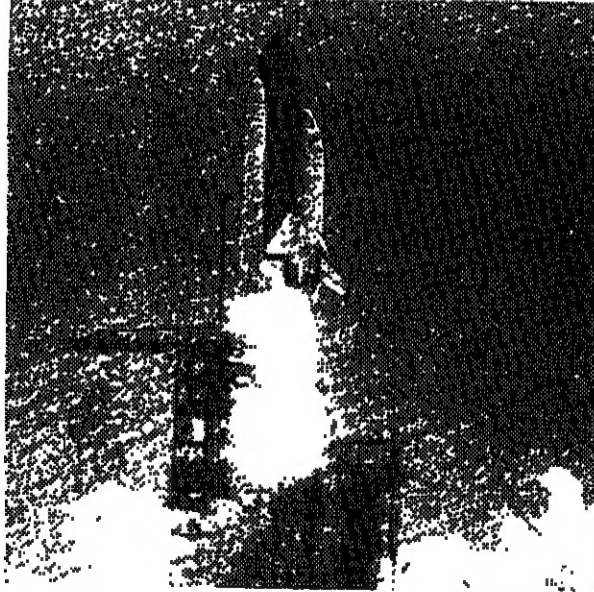
She prefers an independence, allowing her to see things a bit differently.

"I'm like a *franc tireur*, someone who shoots down from the roof when the others are... far below," she said.

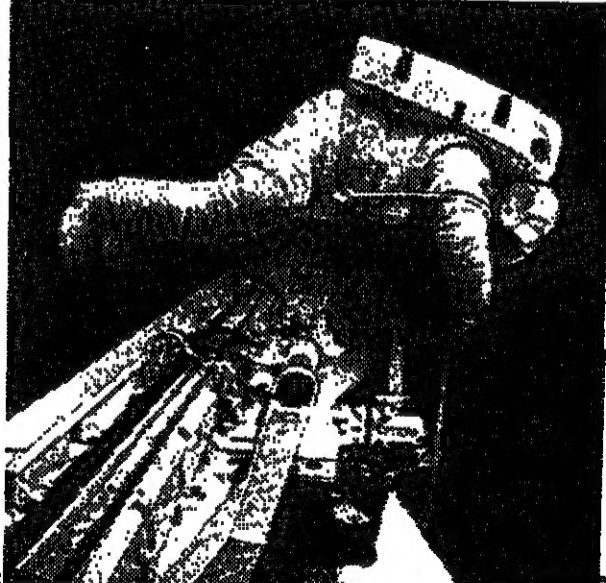
Agnès B, right. Below, the designer's latest look for men and women.



Columbia liftoff at Kennedy Space Center.



Challenger Astronaut Donald Peterson in Space.



2for1

Love heroic adventure? Get twice as much for your money. Take advantage of our special rates for new subscribers and we'll give you an extra month of Tribes **free** with a one-year subscription. Total savings: nearly 50% off the newsstand price in most European countries! Twice as many heroes and lots, lots more in the International Herald Tribune, the global newspaper.

Herald Tribune

To: Subscription Manager, International Herald Tribune,
181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: 747 07 29, Telex: 612832.

Please enter my subscription for:

☐ 12 months (+ 1 month free) ☐ 6 months (+ 2 weeks free) ☐ 3 months (+ 1 week free)

☐ My check is enclosed.

☐ Please charge my credit card account:

☐ Access ☐ Card ☐ American Express ☐ Diners Club ☐ Eurocard ☐ MasterCard ☐ Visa

Card account number Card expiry date

Signature

Name

Address

City/Country

Tel/Telex

Country	Currency	1 year	6 mos.	3 mos.
Austria	A. Sch.	4,000	2,170	1,196
Belgium	B.Fr.	9,000	4,876	2,668
Denmark	D.Kr.	1,930	1,040	570
Finland	F.M.	1,410	760	414
France	F.F.	1,200	644	359
Germany	D.M.	482	261	144
Great Britain	£	101	55	30
Greece	Dr.	15,000	8,404	4,692
Netherlands	fl.	590	296	166
Italy	Lire	276,000	149,040	82,800
Luxembourg	Lfr.	9,000	4,876	2,668
Norway	N.Kr.	1,420	765	423
Portugal	Esc.	13,800	7,450	4,090
Spain	Ptas.	21,200	11,500	6,300
Sweden	S.Kr.	1,400	795	434
Switzerland	S.Fr.	492	263	145
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	\$	322	174	95
Rest of Africa, Canada, Latin America, Gulf States, Asia	\$	442	238	130

16-10-85



Coach® Bags and Belts are made out of a remarkable full-grain leather that has not been covered over with paints or artificial sealers.

This leather burnishes beautifully, develops a rich-looking patina, and takes on character as it is worn.

The Coach Store

New York 754 Madison Avenue
Washington, D.C. 1214 Wisconsin Avenue
Paris 23 Rue Jacob

JAEGER



JAEGER FRANCE
5 Faubourg St.-Honoré, 75008 Paris.
Tel: (1) 265.22.46



L'ECHO

DE LECOANET HEMANT
14 24 OCT 1985
5 RUE LAMENNAIS VIII
TEL 225 24 24
P A R I S

A SPECIAL REPORT ON FRENCH FASHION

Skirts: A New Look

PARIS—No other city in the world offers quite the same richness and variety of street fashion.

When it comes to creative dressing, Paris is a panorama of pure street theater with a fresh, new production every day.

In the genealogy of street fashion a particularly inventive costume becomes a "look," which then evolves into a trend (after that it moves through a series of life cycles that can include interpretation by major designer, knock-off by medium-priced Hong Kong manufacturer, mark-down rack and sometimes resuscitation in a no-iron, man-made fiber for sale in the budget department).

At the moment the single look that seems to be headed in that direction is the long, skimpy straight skirt teamed with either a short-cropped or tunic length sweater and always enormous earrings and flat shoes.

Variations on the theme include super wide belts and dark stockings.

—LETTIA G. JETT



For men and women, leather and black patent leather from Hermès.



The Revved-Up Classics Arrive

PARIS—Classics will always be classics—or will they? Some of Paris's most venerable bastions of conservatism have added a surprising dose of pep to this year's collections. One can almost hear the motorcycle set revving up in approval over the black leather "Perfecto" dresses with their metal-studded collars at Hermès, shrine of the silk-scarf brigade.

Hermès's 23-year-old stylist, Eric Bergère, has instilled new pizzazz and humor into the line. His black patent leather strapless camisole, jacket and skirt provided a saucy contrast to the traditional Hermès camel-hair coats and silk-scarf prints in this fall's collection.

That preppy mainstay, the Lacoste crocodile shirt, has lost its sleeves. The new version, test-launched this summer and a sellout success, features the sleeves cut out high on the shoulder and will be back in force next summer. The ladies of a certain age and certain style who make up the stalwart Rodier clientele were shocked this autumn when they came in to replace their classic fawn jersey trousers. They were met with

upbeat displays of hot pink and grass-green wool jackets, oversize long-sleeved wool polo shirts over long slim-knit skirts over form-fitting knit ski pants in deep purple and peacock blue and vast geometric-motif pullovers in bright colors. The new look, a radical departure from the Rodier image, demonstrates Rodier's new desire to dress a "resolutely modern, active woman who loves life and fashion."

It is hardly a revolution at Charvet, where elegant Parisian gentlemen stock up on custom-made shirts. Nonetheless, there is a new emphasis on women, from the first floor's patterned silk scarves and custom-made shoes, to the second's shirts and nightdresses, to the fourth floor's low-necked, satin-collared tuxedo jackets paired with trousers or skirt.

Even Céline, the kingdom of the tailored gabardine skirt and low-heeled moccasin, has a new kicky accent. They have brought out a line of leopard-look pony skin, including a large, leather-trimmed shopping bag, high-heeled boots and earrings.

—JEAN RAFFERTY

Fashion in the Heart of Paris OCTOBER 19-20-21

NOVA PARK ELYSEES

51, rue François-1^{er} 75008 Paris Tel. 562.63.64 - Telex 643256 F

ACME
ALGO
CERRARI
CLAUDE PATRICK
CLAUDE RIHA
COCKTAIL COUTURE
(Styliste M. TELLIN)
DANIEL DIMER
ELISABETH WESSEL
FRANCK OLIVIER
GEORGIA
HENRI RAVOUX
(BABOUCHKA)
KAZA-SPORT
KAZAZIAN
LASSO
NORBERT NEL
(IDEM DE N. NEL)
PAULETTE BURAUD
PRINCIPE
TREVISE COUTURE

COLLECTION SPRING - SUMMER 86
TRADE ONLY

Paris Life: Search for New Thrills

(Continued From Page 9)

Castel's, with its fashion-conscious bon-chic bon-garçon regulars, and La Maison du Caviar, with its excellent food and mixed clientele of famous and/or pretty faces.

To replenish the wardrobes and keep that competitive edge, French women are ever on the prowl for something new and different. As a result, boutiques wax and wane in popularity, and around any corner it is possible to discover a little shop that did not exist two months before and may not exist six months hence as designers and retailers try to keep their fickle clients satisfied.

For up-to-the-minute skirts and sweaters, the place of the hour is Joseph Tricot; for sublime cashmires, Hobbs is the place. Premier Etage is a favorite spot for accessories. Accessoire Diffusion reportedly has the best ballerinas in town, while Stéphane Kellian has glitzy flats plastered with wildly colored sequins. For the classical chic look that is so coveted, many women are running to Peggy Roche's boutique, and for clothes best described as "sexy, eccentric and funny," Yvan et Marzia is not to be missed.

Specialist of classic 100% pure imported cashmere from Scotland since 54 years.

ANAM
cashmere

Different styles in various sizes and colors with matching accessories (scarves, socks...)

DUTY FREE
Visa - American Express
11 Ave. Victoria-Hugo, Paris 10^e (Faubourg)
Tel. (1) 307.57.52

Leather craftsmen for the best designer labels.

MERENLINDER
presents
his own collection
for his/her superb
custom-made
Leather Fur Rainwear
(Fitting within 48 hrs.)
3, Faubourg St-Henri (2nd floor)
75008 Paris. Tel. 263 12 36.

A Royal Night

PARIS—After a day at the races—the Prix de l'Arc de Triomphe, to be specific—the race of the fall season—a couple hundred top names met later for champagne and dinner at the Hotel George V. All manner of royalty from Saudi Arabia to Monaco with no small number of titled English sprinkled in the crowd of smart commongers turned out in their most opulent grand entrance gowns accessorized by plenty of jewelry. (Fashion note: Gold, as in sequins, embroidery, lame and piping, is a top choice and it looks as if long gloves and wide chokers are having a revival.) The hot topic of conversation was a continuation of the grouting that started at the race in the afternoon when Daniel Wildenstein's horse, Sagace, was disqualified as the big winner because his jockey was charged with bumping. As a result, the bumped horse, Rainbow Quest, was declared the victor, a decision that was met with a chorus of unapologetic boos and hisses.

—LETTIA G. JETT

Forget Detente: Paris Wonders If Raisa G. Is Really Chic

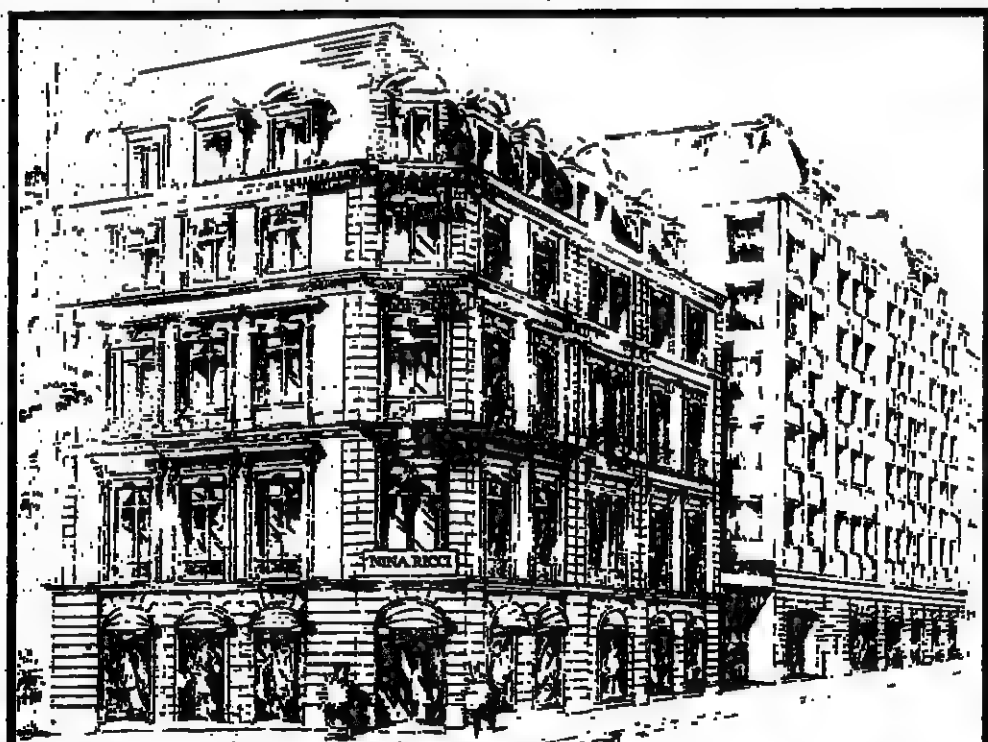
PARIS—From time to time, truly meaningful events occur in the world, giving one pause, allowing a moment of reflection to contemplate, not so much the meaning of life, but rather some of its more crucial nuances. For example, that burning question: Is Raisa Gorbachev chic or is she merely elegant? Never mind about detente, for several days the issue of Mrs. Gorbachev's fashion sense was far more riveting news. Should the Russian leader's wife have worn that gray suit twice on one official visit—and in Paris of all cities? Now really. Doesn't she own any black stockings? And on and on. Now we all know what she brought with her to wear, but the big question is: Did she buy anything from Yves Saint Laurent to take home? No, is the official word from Clara Saint Laurent. "But she left with her arms full of bottles of Opium. She said it is her favorite perfume."

—LETTIA G. JETT

AUBERCY

Over 40 years
of traditional
perfection

34 rue Vivienne, Paris-2^e (Place de la Bourse)
3 rue de la Harpe, Paris-5^e (Rue de la Harpe)
Espace Saint-Christophe, 95000 Boulogne



Boutiques NINA RICCI Paris

39, Avenue MONTAIGNE
17, Rue FRANÇOIS-1^{er}

Ready to Wear - Shopping - Week-End,
Sweaters, Pullovers, Scarves, Fashion Accessories,
Perfumes, Leather Bags, Costume Jewelry, Gifts
FAMOUS DEPARTMENT "ROMANTIC NIGHT-WEAR"

OPEN MONDAY TO FRIDAY (from 10 a.m. to 6:30 p.m.)
AND SATURDAY (closed from 1 p.m. to 2:15 p.m.)

FASHION IN PARIS

A wide selection
of English, American
and French books
at



GALIGNANT

224 rue de Rivoli
75001 Paris
Tel. 42.60.76.07

Available from our
stock and/or mailed
anywhere in the world

PRINTEMPS

PRINTEMPS THE MOST PARISIAN DEPARTMENT STORE

Christian Dior, Courrèges, Chanel, Révillon, Yves Saint-Laurent, Kenzo, Guy Laroche, Daniel Hechter...

The latest French fashions year round at Le Printemps in Paris. Find the top designers on "Rue de la Mode", our smart in-store fashion street. Elegant tableware by Christofle, Limoges, Baccarat... A wide selection of prestigious perfumes... Plus a special welcome for visitors to Paris: tourist discounts, interpreters, credit cards, currency exchange.

**LE PLUS PARISIEN
DES GRANDS MAGASINS**
64, Bd Haussmann-Paris 9^e
Métro Havre Caumartin

Young & Rubicam 86

A SPECIAL REPORT ON FRENCH FASHION

Bangles and Beads Are Banishing Black

(Continued From Page 9)

Saint Laurent, beaded entire dresses for Dior's Gustav Klimt collection, created Chinese porcelain motifs for Chanel's Watteau models and trompe l'oeil Chanel gold chains for the ready-to-wear. For Scherrer's paisley patterns, he used "broken glass" mosaic beads from the 1920s, and for Hanac Mori, created a sheath of real gold derived from the gilding technique used on Paris's Invalides dome. Lesage has done beaded versions of New York subway graffiti for Lagerfeld.

The *brodeurs* bring out collections of from 150 to 200 motifs twice a year before the couture collections. Each sample means 40 to 50 hours of work. The motifs are modified to the individual tastes of each designer, who makes a selection from samples presented exclusively to him. Because it is too early to know what themes a designer may choose, the *brodeurs* must try to outguess the designers or stimulate them to move in certain directions.

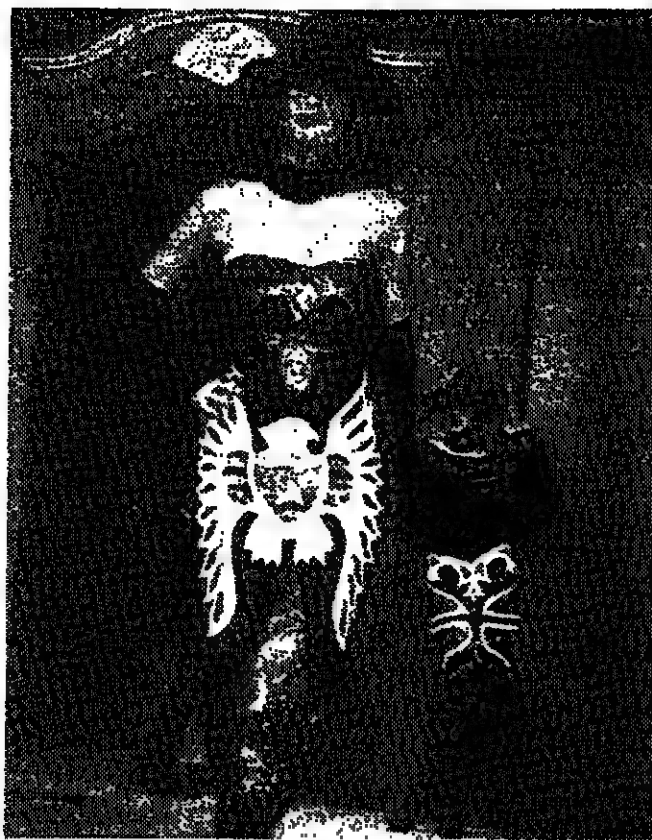
"We have to preview fashion,

know where it is going," Lesage said. "That is the drama. Embroidery isn't difficult. What is difficult is the choice of direction."

They look for inspiration where the designers do, in current art shows, in the countries where a designer has traveled. "Sometimes I get it wrong," Vermont admitted, "and have to redo motifs at the last minute based on another painter, another country or a different floral theme."

As the collections loom, embroidery ateliers work night, day and weekends, putting in up to 5,000 manhours a week, to get the prototypes ready. The *brodeurs* employ about 50 to 60 workers in Paris and an equal number outside. Among them is a surprising number of young women. "The average age at my Paris atelier, including me, is 29," Lesage said.

Materials they use include Japanese pearls, metal beads, mirrors, wood, cork, straw, paste stones in jewel colors or semi-precious stones like jet, lapis lazuli, turquoise and coral, sequins in hundreds of shapes, such as hearts,



Karl Lagerfeld's ultralight: "Paris, Texas." The dressy bead work is by Jean-Guy Vermont.

triangles, squares, petals and leaves, in brilliant or mat, porcelain, mother-of-pearl or iridescent tones accented by braid and silver, gold and multi-colored threads. These are used in imaginative conjunction with satin, silk, velvet, moiré, lamé and lace, even towel-

ing, to produce classic patterns, exquisite trompe l'oeil or startling embroidery sculptures.

Vermont travels to Czechoslovakia, Austria, Scandinavia and Japan in search of materials. Lesage can dip at will into his impressive stock accumulated over 125 years plus 40 tons of stock from France's oldest bead suppliers that he bought when they went out of business two years ago.

Although a variety of material is important, it plays only a small part in the cost of the final embroidery, about 5 percent to 10 percent, according to Lesage. What pushes the price up are the hours of painstaking hand sewing of as many as 700,000 sequins and miles of gold, silver or silk thread onto a single dress. One dress Vermont beaded for Pierre Cardin weighed more than 20 pounds (9 kilograms).

The minimum time spent on a dress is about 50 hours for an embroidery at waist and cuffs, for example, which costs 15,000 francs (\$1,860). The maximum? "Unlimited," Vermont said. "Most of my customers are even too exclusive for haute couture. Each dress is created especially for them." A bridal dress destined for a petal princess can consume 2,000 hours

of hand sewing plus hundreds more for the drawings and cost 400,000 francs for the embroidery alone. The Saint Laurent fish-scale dress Lesage made for Saroya Khashoggi in 16 shades of sequins and beads cost \$250,000.

Some of Vermont's clients arrive with jewel cases, their drawers full of diamonds, sapphires, emeralds or rubies to inspire a matching embroidery. For the wife of the emir of Bahrain, he designed a sapphire blue and crystal flower motif she wore with a matching sapphire and diamond necklace. Once he set up an atelier in the suite of a grand Parisian hotel as his seamstresses sewed one- and two-carat diamonds into the centers of embroidered flowers under the watchful gaze of armed guards.

Lesage's price breakdown is 120 to 140 francs an hour cost price, which he sells for 300 to 400 francs to the designer. An embroidered bodice might cost from 30,000 to 60,000 francs; an entirely beaded dress like Dior's Klimt models reaches 80,000 to 120,000 francs. The final price of a dress is usually double that for a small motif, less for a large one.

"That's the difference with New York," said Lesage, who works with Bill Blass, Geoffrey Beene, Oscar de la Renta and Carolyn Roehm. "There, \$1,000 of embroidery is sold for \$3,000. It makes French haute couture less expensive than American ready-to-wear in work done."

Lesage is modest about the originality of most designs. "Sometimes I think everything has been done," he said. "The only novelty is to make new marriages of materials. I have made 20,000 samples and if I am honest, I think I have only done 15 real originals."

His favorite embroidered dress changes color from white to black according to the direction from which it is viewed.

To expand his limited clientele ("I dress 1,000, or if you count the United States, 2,000, women") and to take advantage of what he calls "the most important museum of embroidery in the world" of 100,000 samples, including those used by Worth, Balenciaga and Schiaparelli, Lesage is launching a line of limited-edition costume jewelry and accessories in New York next month. He plans another limited edition of framed samples as wall decoration.

Vermont, too, moved into decor when he was asked to embroider the bedspread and curtains of a princely bedroom using silver beads, tiny pearls and white and silver ostrich plumes. "It wouldn't do for anyone ticklish," he said.



From left, Claude Petit, Doby Broda and Renata

The 'Paris Personals'

By Monique de Faucon

PARIS — A low-profile group of intensely personal Paris designers have two things in common: they are all women and they design essentially for themselves.

To distinguish them from prêt-à-porter and couture, trade buyers have come to call them the "Paris Personals."

They may be less than household names, but Arlette Chacok, Claude Petit, Renata, Marine Biras, Doby Broda and a dozen more are sometimes already better known in Montreal or Frankfurt than along Paris's Avenue Montaigne and the Faubourg St. Honoré.

Each has a clear-cut image. And as more and more shoppers learn to recognize and to adopt a specific designer idiom, they look each season for an update of the style they have taken as their own.

"Identity is what people are looking for," said Arlette Chacok. "When they find it in my clothes, they keep coming back."

In 15 years, Chacok has grown to the point of breaking out into international franchise operations, showbiz-type collections and heavy publicity budgets. Nevertheless, she still exemplifies the mounting importance of these "Paris Personals" who, with a minimum of media support, put maximum concentration into their individual styling.

Determined individuality started her toward independence. From a hardware store in the south of France, she bought 10-cent packets of dyestuff to remake flea-market peasant shirts and petticoats for the summer Côte d'Azur crowd.

"The colors never came out the same, so I kept re-dipping them," she said. When Brigitte Bardot appeared wearing a Chacok "remake" on magazine covers worldwide, Chacok was off and running.

Today, she creates at Biot, in the south of France, in the center of a computerized fashion empire that supplies stores and boutiques from Jeddah to Japan, and 270 U.S. out-

lets including Saks Fifth Avenue, Bendel's and Neiman Marcus.

Command of color is still her clincher. A sensational summer '86 "knitted linen" coat is woven in jacquard patterns of stars and moons, tigers and elephants, clowns and acrobats, typically against a vivid yellow background. Lamé jackets and bouffant pants are made in emerald, tangerine, bohemian blue or canary yellow.

Renata, by contrast, keys everything to tones that flatter the feminine skin: champagne, salmon pink, the palest gray and a very precise beige "without pink or yellow," keyed to ivory. In practice, she adds two vivid tones to her understated palette each season "to put a pulse beat into the pastels" — this time, lacquer red and a throbbing golden yellow.

The subtle sensuality she injects into simple lines is strongly evident for next summer in a new breed of evening skirts and dresses. Star of the series is a bare-back suntop dress in golden yellow crepe, cut on the bias with softly draped pockets. "To wear straight onto the skin, like a mermaid dress."

Claude Petit has three "Diamant Noir" boutiques open or on the way in Paris, and others scheduled for Geneva and Houston.

At the upmarket end of the scale, a recent "Diamant Noir" gray moiré suit with black frog fasteners went to Nancy Reagan via the New York "Fifra" boutique, thus swelling the ranks of big-name clients.

"Diamant Noir" evening spectaculars for 1986 are in heavy duchess satin, with open lamé-lined pleats in contrasting shades of aqua green and purple, or petal pink and ice blue. But Petit still looks after young working women with clothes designed to bridge the gap between city hours and disco nights, this time white, bronze or black cotton gabardine jackets, with short sleeves opening onto fan-shaped pleats with jutting pockets.

Mood, rather than mode, determines Doby Broda's themes. She began three years ago with clothes essentially for herself, in ample



Arlette Chacok



Marine Biras

sizes and worked out for her own short but full frame. Yet instantly they appealed to the Paris model girl pack and young movie stars.

Like Chanel, she considers intuition as the most sincere form of flattery. Recently, both the jersey scarves that she hides inside her suit jackets to drape around the neck and down one side, and the contrast color armbands inserted into other suits, have appeared all over in a matter of weeks.

Dresses dominate for summer '86, with a preference for high waists and pretty drapes. Most-ordered is one in linen, fitted with organza flounces around neck, armholes and hips.

It was a keen eye for promising offbeat materials, that launched Marine Biras into fashion. The coarse "bure" cloth used for cowled robes of monks became her first bargain-rate fabric, made up into coats, capes and skirts.

Likewise, bombazine, a shiny cotton once used for French children's school pinafores, made pants that became the St. Tropez summer shock wave. The next year came white linen bedsheet. This next series of summer pants not only sold to couturiers like Jean Louis Scherrer, Karl Lagerfeld, Emmanuelle Khanh and Jean-Charles de Castelbajac, but are credited by the flax industry as sparking off a linen revival in ready-to-wear.

Right now her choice is regular British gabardine selling in wide-shouldered suits with mini-lapels, piped pockets and hip pleats repeated in the matching skirt. The most Parisian of her 1986 group is the collarless spencer jacket wrapped to one side and closed with three plexiglass buttons. In solid color or three-tone jacquard, it contrasts beautifully with her straight skirts in black wool and cashmere.

Chacok — 18, rue de Grenelle, 75007, Tel. 222 6999
Renata — 17, rue St. Florentin, 75001, Tel. 260 1119
Marine Biras — 5, rue Lobineau, 75006, Tel. 325 0164
Diamant Noir (Claude Petit) — 66, Bd. Raspail, 75006, Tel. 548 2690
Doby Broda — 27, rue du Bouloi, 75001, 233 3721

Marie-Martine

Leader in Fashion

European export prices

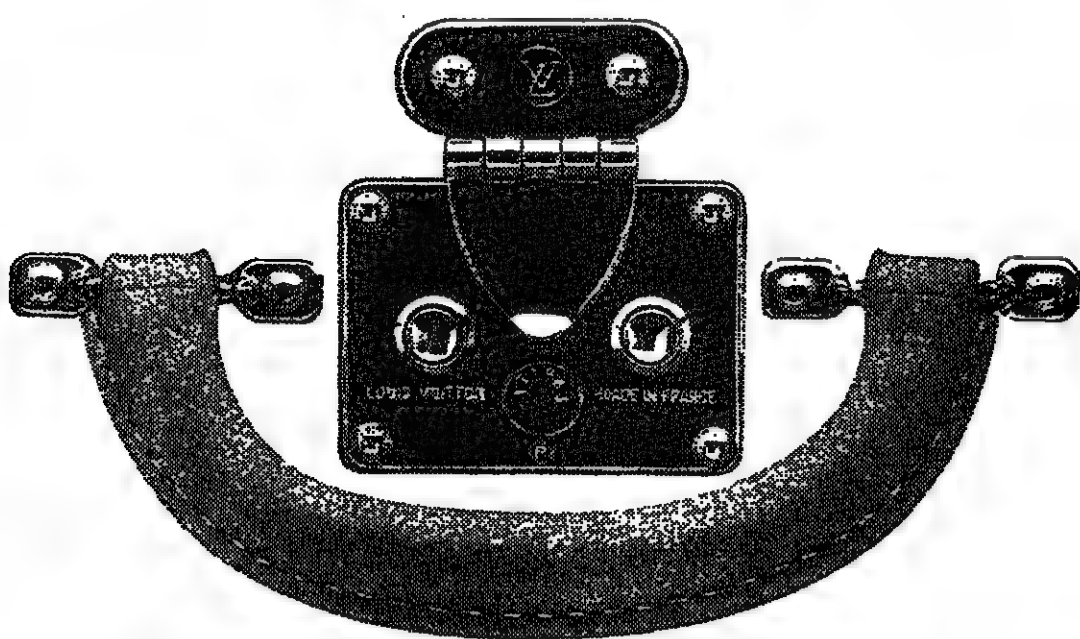
50, Fbg. Saint-Honoré, Paris 8th.

Tel.: (1) 265 68 22.

8, Rue de Sévres, Paris 6th.

Tel.: (1) 222 18 44.

Credit cards

Louis Vuitton.
Not only a celebrated canvas.

Louis Vuitton. Beyond the famous "Monogram" canvas, Louis Vuitton represents a unique concept of luggage and accessories. A rare attention to detail: An authentic Louis Vuitton is identified by each small detail: hand-made handles, naturally oak-tanned leather, patented pick-proof locks, the luxury of leather linings... A commitment to quality: With skill and imagination, our master crafts-

men choose the materials that make each trunk, suitcase and bag an outstanding example of durability, strength and refinement. Expert advice: Selecting luggage is not an easy task. Each model (suitcase, travel bag or accessory) must be chosen, or even custom-made, taking into consideration both its form and function. At Louis Vuitton, the staff is trained to offer the best direction and assistance.

Discover Louis Vuitton at the exclusive Louis Vuitton stores:
Paris • Nice • Monte-Carlo • London • Brussels • Geneva • Luxembourg • Zürich • Milan
Florence • Düsseldorf • Frankfurt • Hamburg • Munich.

LOUIS VUITTON
MAILLERIE PARIS

MAISON FONDÉE EN 1854

PARIS LOOK

Perfumes • Cosmetics • Leather Goods
Fashion Accessories
DUTY FREE - 40%
13 Avenue de l'Opéra PARIS 1st
297.43.88

Watches
and
Jewels

EMERICH
MEERSON
PARIS

11, rue Tronchet
75008 Paris
Tel. 42.65.80.13

Vous laissez tant d'émotion derrière vous.



Madame Rochas
ROCHAS
PARIS

[illegible][illegible]

By **SHERRY BUCHANAN**
International Herald Tribune

Banning smoking is seen by many medical experts as anti-productive.

(Continued on Page 18, Col. 3)

The Associated Press

By Agis Salpukas
New York Times Service

lease space from other carriers. With the Frontier acquisition it will get 21 gates; a fleet of efficient aircraft which serve 55 cities, and a trained work



George James, the former chief economist of the
(Continued on Page 19, Col. 4)

The Associated Press

The results did not reflect the recently announced realignment in the company's core businesses. That change will be reflected for the first time in the fourth quarter results, Citicorp said.

Results

Coal output has continued to recover from the miners' strike, which ended in March, but oil

By John Burgess
Washington Post Service

ernment spending, its effects will be limited. It could increase imports by about \$2 billion in the coming year, according to an im-

NEWS ANALYSIS

including the burying of unsightly overhead wires, one of the great blights of urban Japan.

The Associated Press

The shekel was devalued by 18.8 percent and then frozen at 1500 to the dollar.

Cross Rates				Oct. 15			
	S	DM	F.F.P.	HK	S.F.P.	S.F.Y.	Yen
Amsterdam	3.501	4.257	122.726	96.9%	9.3471	15.84	126.71
Barcelona	1.665	—	—	64.64%	3.9161	—	—
Frankfurt	3.615	3.758	—	30.86%	1.4915	18.725	—
London	0.742	—	2.758	111.55	2.5235	42.58	70.05
Madrid	1.9770	2.5531	0.448	23.39	—	29.76	20.58
New York	—	0.1721	9.445	1.354	1.7940	—	—
Paris	1.1715	1.6448	—	4.579	3.7136	15.635	3.73
Tokyo	21.536	32.008	81.97	24.51	12.11	71.99	99.98
Zurich	2.195	—	—	—	72.64	4.959	—
1 ECU	0.8657	0.8557	1.115	4.759	1.4917	17.766	1.91
1 SDR	1.0657	0.9715	2.3149	1.6215	1.4	3.932	32.204

Closings in London and Zurich, 11:45 a.m. after European currencies. New York rates of 9:28 a.m. (C) Commercial paper (C) Amounts needed to buy one pound (C) Amounts needed to buy one dollar (P) Units of 100 (1/2) Units of 1,000 (P) Units of 10,000 (H.C. not available)

Values	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	

Currency per U.S.	Currency per U.S.	Currency per U.S.	Currency per U.S.
Argentine, austral	0.85	Phil. peso	0.33
Australia, dollar	1.49	Poland, zloty	2.40
Belgium, franc	36.36	Portugal, escudo	200
Bolivia, boliviano	18.40	Romania, leu	7.928
Brazil, cruzeiro	275.00	Russian ruble	25.00
Canada, dollar	1.397	S. Africa, rand	2.015
Chile, peso	80.00	Spain, peseta	166.667
China, yuan	2.00	Sweden, krona	4.666
Colombia, peso	200.00	Switzerland, franc	2.00
Czechoslovakia, koruna	160.00	Taiwan, dollar	36.00
Denmark, kroner	6.46	Thailand, baht	20.00
Egypt, pound	2.27	Turkish lira	25.00
France, franc	6.55	U.S. dollar	1.00
Germany, mark	3.36	West Germany, mark	1.00
Greece, drachma	340.75		
India, rupee	13.25		
Indonesia, rupiah	1,121.00		
Iran, riyal	0.857		
Israel, sheqel	1.700		
Italy, lira	2,037.00		
Japan, yen	360.00		
Korea, won	200.00		
Malaysia, ringgit	2.36		
Mexico, peso	16.67		
Netherlands, guilder	2.2037		
New Zealand, dollar	0.67		
Norway, kroner	4.756		
Paraguay, guarani	20.00		
Peru, sol	3.3333		
Puerto Rico, cent	100.00		
Romania, lei	10.00		
Saudi Arabia, riyal	2.00		
South Africa, rand	2.015		
Spain, peseta	166.667		
Sweden, krona	4.666		
Switzerland, franc	2.00		
Taiwan, dollar	36.00		
Thailand, baht	20.00		
Turkey, lira	25.00		
U.S. dollar	1.00		
West Germany, mark	1.00		

Eurocurrency Deposits							Oct. 15
	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	5 3/4%	4 1/4% %	4 1/4%	11 1/4-11 3/4%	9 3/4-%	8 1/2-%	
2 months	5 1/2-5 %	4 1/4% %	4 1/4-%	11 1/4-11 3/4%	10 1/4-10 1/2%	8 1/2-%	
3 months	5 1/4-5 1/2%	4 1/4-%	4 1/4-%	11 1/4-11 3/4%	10 1/4-10 1/2%	8 1/2-%	n.d.
6 months	5 1/4-5 1/2%	4 1/4-%	4 1/4-%	11 1/4-11 3/4%	10 1/4-10 1/2%	8 1/2-%	
1 year	5 1/4-5 1/2%	4 1/4-%	4 1/4-%	11 1/4-11 3/4%	10 1/4-10 1/2%	8 1/2-%	

Asian Dollar Deposits

<u>United States</u>	<u>Close</u>	<u>Prev.</u>		
Discount Rate	7 1/2	7 1/2	1 month	8 - 8 1/2
Federal Reserve	8 1/2	7 15/16	3 months	8 1/2 - 8 3/4
Prime Rate	9.50	9.50	6 months	8 3/4 - 9
Broker Loan Rate	8 1/2	8 1/4	1 year	8 3/4 - 9 1/2
Cash Paper 90-179 days	7.85	7.85		
3-month Treasury Bills	7.18	7.27		
6-month Treasury Bills	7.34	7.37		

Source: Reuters.

Gold

Refinance		Oct. 15		
	11/16	11/16	A.M.	P.M.
Bank Base Rate	11 1/4	11 1/4	22 1/2	23 1/2
Call money	11 1/4	11 1/4	—	+0.15
17-day Treasury bill	11 1/4	11 1/4	—	+0.15
3-month interest	11 1/4	11 5/4	—	+0.20
Japan				
Discount Rate	5	—	—	—
Call money	6 1/2	6 1/2	—	—
3-month interest	6 1/2	6 1/2	—	—
Source: Reuters, Commodity, Credit				

A SAMPLE OF OUR VERY LOW COMMISSION RATES

500 shares of any price stock	\$ 80
1,000 shares	110
5,000 shares	300
10,000 shares	450
20 options @ 1/2	53
50 options @ 3	180

If you live in Europe or the U.K. and you make your own investment decisions, Andrew Peck Associates will charge you much less in commission when you trade or invest in U.S. securities' markets.

Our London office gives you the convenience of a U.S. discount broker to contact during your business day. Your calls are answered promptly and executed orders are reported immediately. And you can make payments and deliveries to your account without sending securities or funds to the United States.

Accurate record keeping and custodial services are provided by Securities Settlement Corporation, one of The Travelers Companies. The Travelers is the third largest publicly owned insurance company in the U.S., and every account is protected for up to 10 million dollars.

Our London office is ready to receive your inquiries. Please call us or return the coupon to receive our free brochure "SIMPLIFIED TRADING." We look forward to hearing from you.

ANDREW PECK
ASSOCIATES, INC. 

39 Bedford Square, London WC1B 3EG, England (01) 580-1096 Telex: 8812130 (MCLEIS G)
32 Broadway, New York, N.Y. 10004 (212) 363-3770 Telex: 429067 (STOCKS)

Licensed dealer in securities.

☐ Please send me your SIMPLIFIED TRADING brochure.

Name _____

Address _____ 1B7-10
Country _____

MEMBERS NASD, SIPC, SIA

Net asset value quotations are supplied by the Funds listed with the exception of certain CLOSED-END FUNDS OR OTHER FUNDS. The marginal symbols indicate frequency of quotations furnished: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - transitory.

New Issue **These Bonds having been sold, this announcement appears as a matter of record only.** **October 1985**

Farmington, Connecticut

Berliner Handels- und Frankfurter Bank

**Swiss Bank Corporation
International Limited**

**Deutsche Bank
Aktiengesellschaft**

**Dresdner Bank
Aktiengesellschaft**

Morgan Guaranty GmbH

Shearson Lehman Bro

Credito Italiano**Sumitomo Finance**

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

Quarter nets include gains of \$5.5 million vs \$0.3 million.

Net Income	227.9	208.0
Per Share	1.40	1.42

First Florida Banks

General Signal		
3rd Class,	1985	1984
1985	426.7	431.3

3rd Qtr.	1985	1984
Revenue	361.6	390.3
Oper Net	16.0	22.5
Over Share	0.36	0.50

GTE		
3rd Qtr.	1985	1984
Revenue	1,800	3,400

Revenue	369.1	372.9
Net Income	13.07	12.69
Per Share	0.50	0.48

Per Share	0.82	0.93
9 Months	1985	1984
Revenue	528.1	505.5

FUND LIMITED

[illegible]

Sw.Fr. Dep.	SFr.	5.108	2.40
N. American	\$	1.05	0.50


Yen Conv. Bond	Yen	1646.00	3.20
* Prices at 11/10/85.			

THE TOP FRENCH QUALITY FIRMS

COMITÉ COLBERT

Guerlain: Legendary Perfumers

Bruno Giry, Chief Executive Officer



Shalimar, Jicky (soon to celebrate its centenary), l'Heure Bleue, Mitsouko, Nahema, Chamade... the magical names of these great perfumes testify to the legendary success of one of the world's greatest perfumers: the house of Guerlain. Today, 157 years after Pierre-François-Pascal Guerlain founded the first modern perfume house in 1828, Guerlain can proudly claim several of the world's best-selling fragrances.

"Great perfumes are like beautiful women," says Jean-Paul Guerlain, the current family "nose." "They don't go out of fashion."

To Bruno Giry, president and chief executive officer of Guerlain since 1981 and a company veteran of 23 years, Guerlain's success is reflected in the prestige of the French fragrance industry as a whole. "Perfumery is originally a French business," he says, "so I would like to underline the importance that the Deuxièmes Rencontres Internationales de la Parfumerie, being held in Paris this week, have for our profession."

A potent blend of inherent talent—through five generations each Guerlain fragrance has been composed by a member of the family—and business acumen has enabled this family concern to successfully maintain its leadership in a market where a perfume launch costs a minimum of \$10 million and which is increasingly dominated by giant international conglomerates. Turnover last

year was \$150 million, an increase of 20 percent over 1983. This year's European launch of a new make-up line and the Derby fragrance range for men is expected to push total turnover up another 25 percent in 1985.

"French perfume manufacturers were French export pioneers," says Giry. Named court perfumer by Napoleon III after creating l'Eau de Cologne Impériale for Empress Eugénie in 1853, Guerlain was soon supplying most of the dazzling European courts and now realizes 75 percent of sales in 110 foreign markets.

Shalimar, invented in 1925, is their best seller, while Jardins de Bagatelle, launched in 1983, is selling extremely well.

Beauty, as well as fragrance, has been a Guerlain concern since 1904 when la Crème Secret de Bonne Femme was introduced. It is still sold today in the same blue opaline jar. Issima and Ultra-Sport skin care treatments and the new make-up line, launched last month in Japan, now represent 25 percent of the business.

Research and creativity, quality and strict distribution control, expansion abroad, adaptability to changes: These are the tenets which Giry deems essential to Guerlain's continued success. "We can only compete with the large corporations by remaining different and maintaining the distinctive "Guerlain style."

AN ASSOCIATION OF THE MOST PRESTIGIOUS NAMES OF THE FRENCH 'ART DE VIVRE', 2815 RUE DE LA BAUME, 75008 PARIS

AN ANNOUNCEMENT BY THE COMITÉ COLBERT

BUSINESS PEOPLE

Gunn Is Named an Executive Director of B&C

By Brenda Erdmann

International Herald Tribune

LONDON — British & Commonwealth Shipping Co., a transport and financial services holding company, announced Tuesday the appointment of John Gunn as an executive director, enlarging the board to nine members.

Mr. Gunn, 43, resigned late last month as chief executive of Exco International PLC, a fast-growing concern involved in money brokerage and other financial services. An Exco source said Mr. Gunn was more eager than other directors to diversify the company, which he helped found in 1979.

B&C, which recorded net profit of £32.6 million (\$46 million) in 1984, owns about 21 percent of Exco and has interests in air transport, shipping, aviation-support services, office equipment and fund management.

Gillette Co., the Boston-based maker of shaving and personal-care products, has named Lorne R. Waxlaw an executive vice president. He continues as chairman of the West Germany-based Braun AG subsidiary.

Pizzardi's Brussels Lambert (Italy) SpA of Milan has appointed Giovanni Giardina managing director.

W.R. Grace & Co., the New York-based concern that has interests in chemicals, natural resources, restaurants and retailing, has appointed Rolf Gensler a director.

Mr. Gensler is a managing director of Friedrich Flick Industrie-Verwaltung KGaA, which owns 26 percent of Grace and is also the holding company for West Germany's Flick industrial group.

Lloyds Bank PLC said its international banking division has set up a support team, based in London, for its operations in Latin America, for its operations in Latin America, for its operations in Latin America.

The team is headed by Julian Avery, as principal manager. He was principal manager, Latin America division, in 1982 as a managing director with responsibility for international capital markets business.

Citicorp has named Pradeep Kashyap head of its investment banking activities in the Middle East and Africa. Mr. Kashyap will continue to hold regional treasury responsibilities for Citibank. He has been treasurer for the Middle East and Africa since 1982.

United Biscuits (Holdings) PLC has named Bob Clarke group chief executive. The appointment makes

Mr. Clarke heir-apparent to Sir Hector Laing, 62, chairman and chief executive. Mr. Clarke was managing director of the company's main subsidiary, United Biscuits (UK).

R.J. Reynolds Industries Inc. has named H.F. Powell president of the international division of its Nabisco Brands Inc. unit, filling a vacancy.

Horsblower Fischer & Co., the New York-based securities and commodities brokerage, has opened an office in Zurich and named Walter G. Tanner as managing director.

Royal Nedlloyd Group NV, the Dutch shipping concern, has named Jan Dam managing director of its new London-based subsidiary, Nedlloyd UK Ltd., which will begin operations Jan. 1. Mr. Dam currently is managing director of Nedlloyd Rijnland Binnenvaart.

Rowan Drilling (UK) Ltd. said it has opened an office in London, which will be headed by Paul I. Kelly, who previously was in the Houston headquarters of the parent, Rowan Cos., as vice president, industry and government relations. Rowan is an offshore drilling contractor.

Corporate Rules for Smokers

(Continued From Page 15)

free office. The company banned smoking in the office in June except for a designated lounge.

"We had to find a place other than the car park or the toilets where people could smoke. There was one partitioned office available. So we closed it off completely," says A.K. Wilson. To ease any withdrawal pains, the company placed smoking out on a period of three months, prohibiting smoking before 10.30 A.M. for a month, then before noon, then before 4.30 P.M. and finally the ban went into effect.

The company now considers time spent in the smoking lounge as

recreational time. Mr. Wilson estimates that perhaps 12 people out of 285 have had real problems coping.

There are other problems with banning smoking:

• Some companies do not bother to take a vote among their employees.

• Some make a deal with the unions to be lenient, but among the administrative staff.

• Others ban smoking only in the open part of the office, discriminating against those who have no private office. Smoking becomes an executive perk.

Increasingly, British companies are advertising for nonsmoking staff.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

AUTOS TAX FREE

FRANCO

BRITANNIC

TAX FREE CARS

ROLLS ROYCE

BENTLEY

JAGUAR

ROVER

RANGE & LAND ROVER

European delivery

21 Ave Kleber

75116 PARIS

Tel: (1) 757 50 80

Telex: 620 420

AUTO SHIPPING

Worldwide Car Shipping

TRANSOCEANIC

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

AUTOS TAX FREE

DAWADI TRADE

INT'L DELIVERY

We keep a large stock of

used cars, vans, trucks, etc.

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

AUTOS TAX FREE

DAWADI TRADE

INT'L DELIVERY

We keep a large stock of

used cars, vans, trucks, etc.

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

Tel: (212) 424-1234

LOW COST FLIGHTS

MY ONE WAY \$150. Everyday N.Y.

West Coast \$145. Port 225 \$210.

HOLIDAYS & TRAVEL

7 DAYS INCLUSIVE TOURS

FROM LONDON TO:

LISBON €238

ESTORIL/CASCAIS €216

COSTA VERDE (PORTUGAL) €191

MADEIRA €212

FROM MILAN TO:

LISBON €174,000

ESTORIL/CASCAIS €140,000

COSTA VERDE (PORTUGAL) €109,000

MADEIRA €124,000

FOR OTHER PROGRAMS AND DELIVERED

TRAVEL AGENT

FURNITURE RENTALS

INTERNATIONAL

FURNITURE

RENTALS

OF NEW YORK

Rent Executive Quality

Furniture for

Home or Office

Surprisingly Inexpensive

4 Showrooms in New York Area

Call (212) 421-0340

FOR SALE & WANTED

